Tuesday October 15 1985

D 8523 B

World news

Martens Chase set to lead increases coalition earnings again

Belgium's King Baudouin started talks with senior political leaders on the formation of a new government expected to be headed again by Wilfried Martens, leader of the Christian Democrats.

The outgoing coalition of Christian Democrats and Liberals from both the Brench and Elevation of Christian Democrats and Liberals from both the Brench and Elevation of Christian Democrats and Liberals from both the Brench and Elevation of Christian Democrats and Liberals from Doll La Right Street in the Brench and Elevation of Christian Democratic and Liberals from Doll La Right Street In the Brench and Elevation of Christian Democratic and Liberals from Doll La Right Street In the Brench and Liberals from Doll La Right Street In the Brench and Liberals from Doll La Right Street In the Str

both the French and Flemishspeaking communities of Belgium gained 115 seats in the 212-seat chamber, two more than in the previous election in 1981.

Share prices on the Brussels bourse rose sharply in response to the election result. The Belgian SE index increased 132.38 to 2,642.65, representing a 5.3 per cent increase and a record for the year. Page 2;

Zia canceis visit

Pakistan President Mohammad Zia ul-Haq called off a scheduled visit to West Germany as opposition mounted to a Bill meant to protect him against possible charges of treason and to write his martial law orders into the constitution:

Sentence upheld

An Austrian court upheld a 20-year prison term imposed on an Arab guerrilla convicted of masterminding a 1981 attack on an Vienna synagogue in which two people died.

Fishermen killed:

Three Spanish fishermen were killed and four are missing after their boat was in collision with a Soviet trawler and sank off the Western Sahara coast.

Sudan frees 34

Sudan freed 34 politicians but froze their funds and forbade them to leave the country.

Soviet Asia quake A powerful earthquake struck the

Tadzhikistan, killing an unspecified number of people and destroying homes and factories. New Swedish Cabinet

Swedish Prime Minister Olof Palme announced sweeping changes in the Government, including the appointment of new ministers for foreign affairs and defence.

ireland faces strike The Irish Republic faces disruption

today because of a 24-hour strike by public sector workers over pay.

Polish turnout 'high'

Poland claimed that on the basis of preliminary figures, 78 per cent of those entitled to vote did so in Sun-day's elections, which were boycot-ted by the Solidarity opposition. Page 2.

Paris radio blast:

Two bombs planted by the Action Directe urban guerrilla group dam-aged studios of state-run French radio and television in Paris. The attackers said they were protesting extreme right-wing politician.

Queen to visit China

Britain's Queen Elizabeth will make her first state visit to a com-munist country in October next year when she will spend six days

Ü

Soldier stabbed A white soldier was stabbed to death in the eastern Cape, South Africa. He was the first soldier to

die in 20 months of unrest. Page 4

Nobel medicine prize Two American professors, Michael S. Brown and Joseph L. Goldstein, shared the 1985 Nobel prize for medicine. Their work could help to reduce deaths from heart attacks

Business summary

by 61%

DOLLAR finished slightly firmer in London, closing at DM 2,6616 (DM 2.658), SwFr 2.181 (SwFr 2.1795) and Y215.4 (Y214.6). It was unchanged at FFr 8.11. On Bank of England fig-ures the dollar's index fell to 131.2 from 131.3. Page 29

STERLING gained 15 points against the dollar in London to close at \$1.4135. It also rose to DM 3.7625 (DM 3.7525), FFr 11.465 (FFr 11.45), SwFr 3.0625 (SwFr 3.0775) and Y304.5 (Y303.0). The pound's exchange rate index rose 0.2 to 80.2.

GOLD rose \$1 on the London bul-lion market to \$337.00 and was also firmer in Zurich at \$326.65. Page 28 LONDON: A new peak was reached

although profit-taking reduced ear-her enthusiastic gains in the FT Ordinary index, which closed 1.3 up at 1,028.8. The FTSE-100 index closed down 1.1 at 1,321.2. Page 36

TOKYO: Small-lot buying of large capital, domestic demand-related and biotechnology issues pushed prices higher for the sever secutive trading day. The Nikkei-Dow market average gained 67.37 to 13,017.29. Page 36

NORWAY's coalition Government presented a 1986 budget providing for significantly higher spending, particularly on health and social services. Page 16

AUSTRALIA's trade deficit totalled A\$216m (\$154.2m) in September, up A\$122m from the August figure.

JAPAN and the UK hope by early

LLOYD'S of London insurance mara C425m (\$59.9m) settlement with country. the British tax authorities after one of the most extensive investigations carried out by the UK Inland Revenue into the affairs of a big finan-

TAKEOVER battle for Fleet Holdings. British publisher of the Daily Express, Sunday Express and the Daily Star came to a surprise cli-max when Fleet advised its shareholders to accept United Newspapers' increased offer of £317m (\$446.9m).

TRINKAUS & BURKHARDT, West German bank, is offering 22.8 per cent of its shares on the stock mar ket in a move which will substan tially cut the holding of Midland Bank of the UK. Page 17

WERNER K. REY, Swiss financies filed a suit worth more than \$20m against Beverly Hills Savings & Loan Association, Californian bank declared insolvent last April.

CONTROL DATA, financially troubled U.S. computer group, has agreed to sell two more subsidiaries of its Commercial Credit division as

part of a wide-ranging restructur-ing. Page 17

GLAXO, UK pharmaceuticals man-ufacturer, lifted pre-tax profits by 57 per cent to £402.9m (\$568m) for the year to June 30: Lex, Page 16; Details Page 20

FRENCH state-controlled groups Elf Aquitaine and Péchiney have linked with Toray of Japan to produce carbon fibre at a FFr 200m (\$24.7m) plant in south-west France. Page 17

ROYAL DUTCH/SHELL has pulled out of a venture to develop a coal mine in Sandong province, China, at an estimated cost of \$300m.

FIAT chairman Giovanni Agnelli denied that his group was involved in discussions on car production with General Motors, although the U.S. group was considering a ven-ture with Fiat's robotics unit.

Middle East peace hopes fade as UK cancels PLO talks

BY RICHARD JOHNS IN LONDON

BRITAINS hopes of giving new impetus to a comprehensive peace set-tlement in the Middle East were yesterday abandoned for the time being, when Sir Geoffrey Howe, Foreign Secretary, cancelled at the last moment his scheduled meeting with two leading members of the Palestine Liberation Organisation.
The controversial talks were called off after the Foreign Office

learned on Sunday that Bishop Elia Khouri and Mr Mohammed Milhem, independent members of the PLO's executive committee, were not prepared to express sup-port for a settlement of the Arab-Israeli conflict on the basis of rele-vant United Nations resolutions

and opposition to violence as well

The invitation from Mrs Margaret Thatcher, the British Prime Minister, to a joint Jordanian-Palestinian delegation, was based on a firm understanding that its members would subscribe to a statement incorporating these principles, the Foreign Office said

This diplomatic debacle on a very important procedural issue probpeace dialogue.

At the same t launched in February by King HusTHE DISPUTED STATEMENT

sonal support for a peaceful set-tlement of the Arab-Israel diste on the hasis of the relevant pute on the basis of the resevant. UN resolutions, including 242 and 338 of the Security Council, They stated that, in accordance with these resolutions, a settle-ment should recognise the rights of the Palestinian people, includ-

ing the right to self-determination within the context of a Jor-danian-Palestinian confederation, as well as the right to secure existence of all the states in the area including Israel within its 1967 borders.

tion to all forms of terrorism and violence from whatever source."

full backing of President Mubarak

of Egypt.
The initial, modest aim was the start of a dialogue between a joint Jordanian-Palestinian delegation and U.S. officials in preparation for full negotiations of a Middle East peace settlement. But Israel had fiercely opposed the participation of the PLO in any form.

The failure of Bishop Khouri and

Mr Milhem, two moderates in the PIO leadership, to agree to the pro-posed form of words is likely to di-minish the PIO's credibility as a prospective partner in any future

At the same time, most Palestinians seem to regard Mr Arafat's sein of Jordan and Mr Yassir Ara- PLO as their sole political

London officials were at pains to refute any suggestion that the cancellation was prompted by the events of the last three weeks in the Middle East - the killing by Palestinians of three Israelis on their yacht moored in Larnaca, the Israeli bombing of the PLO's headquarters in Tunis and, finally, the eizure of the Italian cruise liner Achille Lauro.

had been furious over the probability of the meeting especially after the Achille Lauro bijacking, welcomed its cancellation. Mr Shimon Peres,

Continued on Page 16 PLO chief leaves Yagoslavia, Page 4; Editorial comment, Page 14

Craxi faces crisis over release of Abu Abbas

BY JAMES BUXTON IN ROME

low Mohammed Abu Abbas, the ket chairman Peter Miller unveiled Palestinian leader, to leave the

The Republican Party, the third biggest in the Government, yester-day informed Sig Craxi of its "total and justified dissent" from the Government's handling of the issue on Saturday afternoon when Abu Abbas was effectively smuggled out of the country.

It said it would not support the Government in parliament over the elease of Abu Abbas when the debate takes place on Thursday. Sig Giovanni Spadolini the party leader and Minister of Defence, refused to attend last night's meeting of the inner Cabinet, the first held since the liner Achille Lauro was hijacked by Palestinian terrorists a week ago.

In the past, developments of this kind have often heralded the resignation of a party from government, Government bringing about its fall. Asked extradition.

next year to reach a deal over the application by Japanese brokerage Bettino Craxi was last night facing fall, Sig Spadolini said yesterday lack of consultation on the Abu Abbuses for deposit taking licences in London. Page 18

THE ITALIAN Government of Sig whether the Government would be party also condemned the lack of consultation on the Abu Abbuses for deposit taking licences in London. Page 18

The party also condemned the lack of consultation on the Abu Abbuses for deposit taking licences in London. Page 18

The party also condemned the lack of consultation on the Abu Abbuses for deposit taking licences in London. Page 18

meeting began, Sig Craxi would say inner Cabinet.
only that such meetings were valid In effect, the

bark on an orgent mediation effort Government in parliament should not bring down the administration. Democrats, Socialists, Republicans,

Shortly before the inner Cabinet quest for an urgent meeting of the

In effect, the decision to let Abu when there was a quorum of Abbas go was taken only by Sig members. Craxi and Sig Giulio Andreotti, the Sig Craxi may now have to em- Foreign Minister.

Italy was severely criticised by if he is to keep the Republicans in the U.S. Government for allowing the Government. However failure the Palestinian to leave the council the Republicans to support the try. The U.S. believes that he masterminded the terrorist operation to hijack the liner. He arrived in Italy Sig Craxi's Government has last- aboard the Egyptian aircraft which ed for two years and two months. It was intercepted by U.S. Navy air-consists of a coalition of Christian craft and forced to land in Sicily.

Democrats, Socialists, negative coalition, the Liberaus and Social Democrats and Liberals.

The Republican Party, which is Democrats, yesterday both expressed unhappiness about some of the rast lew days and rable to Israel than the two leading parties in the Government, is outraged at what it yesterday called the hurried and unjustified protection.

The hurried and unjustified protections are the general lack of consultation. But the Liberals made clear that the hurried and unjustified protections. tion given to the release" of Abu Ab- to fall. The Social Democrats said bas, despite a request from the U.S. that the coalition should reach a Government for his arrest pending new agreement on its Middle East

Hanson's investment banker 'undervalued SCM assets'

BY WILLIAM HALL IN NEW YORK

company, says that it has found evidence that Rothschild Inc, Hanson Trust's investment banker, valued price at which the company is pre-paring to sell them to Merrill Lynch.

SCM claims that Rothschild valued the consumer foods business at responsibility to shareholders. \$77m and the pigments business at \$300m in a confidential memorandum dated August 7, two weeks be- ing to go private via a \$74 a share randum had been prepared without fore Hanson launched its first bid offer from Merrill Lynch. SCM's access to confidential information for SCM. This is less than the \$80m and \$350m price tags put on the company by SCM as part of a con-

SCM, the New York-based conglom-erate which is fighting an unwel-come takeover hid from Hanson to finance a management buyout to Trust, the UK industrial holding prevent Hanson winning. two companies, Borden and McCor-mick, have both said they would buy the consumer foods business for more than \$100m. Hanson

Trust's investment banker, vamed two of the company's most valuable decide the outcome of the two considerably more man of the two assets at considerably less than the price at which the company is prepring to sell them to Merrill agreed to sell the two companies agreed to sell the two companies

board of breaching their fiduciary Hanson has begun a \$75 a share tender offer for SCM which is tryterday morning. Hanson has found evidence that value of the two companies.

The valuation of the two assets is argues that SCM's pigments and central to the courtroom battle consumer foods businesses are which begins today and is likely to worth between \$555m and \$625m - decide the outcome of the two-considerably more than the \$430m

tween \$86 and \$83 a fully diluted

Sources close to Hanson said ves terday that the Rothschild memo-randum had been prepared without shares fell \$% to trade at \$72% yes- and should not be used to under-

Sinclair tricycle company 'owes £7.7m'

UK RECEIVERS called in to Si Clive Sinclair's C5 electric vehicle company, which ceased production in August, said last night that £7.75m (\$10.9m) was owed to creditors - £7m of it to Sir Clive himself. Mr David Septe, joint receiver with Mr Anthony Locke, both of London accountants Begbie, Pickering and Co, said some 110 suppliers were owed a total of £750,00. The sum owed to Sir Clive reflected his personal investment in the project but it had yet to be clarified whether Sir Clive would have preferred status.

Sir Clive, who called in the receiv ers himself, was unavailable for

comment last night.
Mr Sapte said a sales operation for the vehicles would continue to trade. Whether production could resume would depend on whether new investors could be found.

Sinclair Vehicles was formed by Sir Clive about three years ago to develop and market the C5, a battery-powered, pedal-assisted threewheeler with a 15mph top speed and a price of £399.

At its launch in January, Sir Clive prophesied 100,000 UK sales this year, to be followed by substantial export sales. Eventual capacity of up to 800,000 vehicles a year was

The receivers said yesterday a total of 4,500 had been sold and they now controlled stocks of 4,500.

On September 19, Sinclair Vehicles name was changed to TPD Ltd. with a direct subsidiary, Sinclair Vehicles Sales. Mr Sapte said he was unaware of the reason for the was thaware of the reason for the name change. He added "Sinclair Vehicles Sales is solvent and will continue trading normally." Hoover assembled the machines

at its Merthyr Tydfil, South Wales

washing machine plant. In July, it issued a writ against Sir Clive per sonally seeking £1.5m for alleged unpaid work on the C5 the receiver said that Hoover was not listed among the company's creditors. Last night, the company referred all inquiries to a spokesman for Sinclair Research, Sir Clive's electron-

ics company, who said that the issues between Hoover and Sir Clive have been resolved." The spokesman would not elaborate. Sinclair Vehicles, however, was set up independently of Sinclair Relinks between the two companies.

search and there are no formal Mr Sapte said it was not yet possible to estimate likely returns to unsecured creditors. There is a considerable stock of vehicles,

Continued on Page 16

Daimler-Benz buys majority stake in AEG

cern, to form West Germany's biggest industrial company with annual sales of more than DM 60bn (\$22.6bn).

The transaction will cost Daimler at least DM 1.6bn - perhaps much

Dr Werner Breitschwerdt, Daimler's chief executive, said the takeover marked another step in the company's moves to broaden its activities into new, high-technology fields with strong growth prospects.
He recalled that Daimler had al-

ready this year taken full control of MTU, the high-performance engine maker, and a majority in Dornier, the aerospace concern. These two moves alone are believed to have cost around DM 1bn. The takeover of AEG, Dr

Breitschwerdt said, brought the prospect of synergy among four closely linked companies - above all in electronics, automation techpology and aerospace. Herr Heinz Dürr, AEG's chief executive, said that as a result of the

takeover his company's remaining

debt would be wiped out, its capital base strengthened and its competitiveness decisively improved. AEG came close to bankruptcy a few years ago. But after a rescue mounted by the banks and a court settlement freeing it from much of

its debt, it is now modestly in the

BY JONATHAN CARR IN STUTTGART

DAIMLER-BENZ, the car and truck black. Last year it produced DM manufacturer, is taking a majority stake in AEG, the electricals con- of DM 11bn, and earnings this year are understood to have improved

The takeover by Daimler, one of Germany's richest companies with net profit last year of DM 1.1bn on sales of DM 43.5bn, is taking place

in two stages.

AEG's capital has just been in creased by DM 250m, and Daimler has already purchased many of the new shares at DM 170 each to give it a 24.9 per cent stake.

Daimler is now offering DM 170 for each of AEG's remaining shares, the largest quantity of which are held by a score of banks and the rest with some 150,000

A 50 per cent stake in AEG would cost Daimler a total of DM 1.6bn. How much more it finally pays de-pends on the extent to which exist-ing shareholders are willing to relinguish their stakes.

The DM 170 price is 20 per cent above the average of the AEG share price over the last three months. It is lower than the DM 182 peak reached last week, but Daimler says that was the result of specula-tive buying and feels it will have no problem acquiring the majority. The takeover is subject to assent

by the federal cartel office, but both Continued on Page 16

Iata plans cheaper fares for Europe

BY MICHAEL DONNE IN LONDON

to decide what cheaper fares to of-fer travellers in Western Europe is "discount" and "deep discount." proposed by member airlines of the In-each zone, a reference fare international Air Transport Asso-would be established by agreement ciation (lata) in a plan to be put to among the airlines. The fares then

growing criticism that government- giving much greater flexibility in controlled fares policies in air pricing.

enough.

The scheme has been devised by the chief executives of the schedels of the reference fares would inuled European member airlines of volve much discussion among the lata and is now being studied by airlines, but once fixed they would such bodies as the Association of be changed only at long intervals.

European Airlines. It envisages the introduction of

GREATER freedom for the airlines two fares zones below the existing

this offered by the airlines in each zone utumm. could vary by up to 15 per cent on
The plan is designed to meet either side of the reference fare,

transport tend to keep fares higher The discount reference fare than they need to be and that ef-would be higher than the deep disforts to achieve greater liberalisa- count reference fare, but both tion of fares have not gone far would be cheaper than any of the

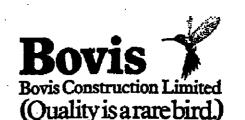
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smaller projects which we've recently carried out, alongside the rest.

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It shows just a few of the	try us for size too?)	
CLIENT	PROJECT	VALUE
Marks & Spencer, Southport	New lift	£108,000
BBC Elstree	Structural work for 'Eastenders' set	£130,000
Bedales School	Alterations	£160,000
Safeway, Aylesford	Car park extension	£ 80,000
Post Office, Dundee	Countermodernisation	£168,000
University College School, Hampstead	New Science Block	£160,000
Lesme, Banbury	Extension	£250,000



Bovis Construction, Bovis House, Northolt Road, Harrow, Middlesex HA2.0EE, Tel 01-422.34gg.

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BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

minister for both foreign affairs in Latin America and Africa.

Mr Lennart Bodström, Foreign Minister since 1982, is to be moved to Education and be replaced by Mr Sten Anderson, for 20 years Secretary of the Social Democratic Party and since 1982 Minister of Health and Social Affairs.

Mr Bodström was a surprise choice as the Social Democrats' foreign minister in 1982. He had little previous political ex-retionce, either domestically or abroad, and had spent most of his career in the union move-

He has failed to impress as Foreign Minister and earlier this year had to face a vote of no confidence over remarks he apparently made over dinner to a group of journalists which raised doubt about the Government's commitment to the nation's official security policy.

Mr Sten Andersson (52) is Mr Erik Asbring, Mr Feldt's one of the senior politicians in the Social Democratic Party.

During his period as party sec-

MR OLOF PALME, the Swedish retary, the Social Democrats Prime Minister, yesterday an- actively supported the opposi-nounced sweeping government tion forces in the then dictatorchanges in the wake of last ships of Spain, Portugal and munth's general election, in-Greece and links were deve-cluding the appointment of new loped to liberation movements

> The new Defence Minister is to be Mr Roine Carlsson, Deputy Industry Minister since 1982 and in recent months also Transport and Communications

Sweden is still trying to secure the appointment of Mr Anders Thunborg, Defence Minister for the past three years, as UN Commissioner for Refugees, but the move has run

The overseeing of financial

and industrial policy has been left untouched, although the position of Mr Kjell-Olof Feldt, Finance Minister, has been strengthened. Last week Mr Bengt Johansson, Undersecretary of State in the Finance Ministry, was appointed Wages Minister with responsibility for overseeeing public-sector pay policy. In addition, Mr Erik Asbring, Mr Feldt's

In fact, the Socialists had

Paul Cheeseright in Brussels assesses the outcome of Sunday's general election Belgians opt for more Martens medicine

KING BAUDOUIN yesterday started talks with Belgium's senior political leaders on a new government expected to be headed by Mr Wilfried Martens, the outgoing Prime Minister.

consolidation of the parliament ary majority held by centre and right-wing parties. The out-going coalition of Christian Democrats and Liberals from both the French and Flemish-speaking communities of Belgium gained 115 seats in the 212-seat Chamber of Deputies, two more than at the 1981

The Socialists, who made up the main opposition in the last Parliament, increased their representation to 67 seats, while all the other smaller parties outside government lost ground. So the Belgian dentist, the man in the tobacco shop, the rich physician — sophisticated players of the investment game, francs — were right when they shrugged their shoulders before the election and said the coalition would get back.

Mr Martens had campaigned on the government's record. No new approaches, just the same mix as before. The country is three-quarters of the way to re-covery; might as well finish the job. the coalition parties argued. The alternative after all is

Dutch-speaking	THE BELGIAN ELECTION How the parties finished French-speaking						
· ,	No. of		Per cent polied		seats No. of		polled Per cent
The coalition	49	+6	21.3	Social Christians	20	+2	8.0
Christian Democrats Liberals	22	-6	T0.7	Liberals	24	None	16.2
The opposition Socialists	32	+6	14.6	Socialists	35	None	13.8
Greens	4	+2	3.7	Greens	5	+3	2.5
Volksunie	16	4	7.9	French-Democratic Frone	3	-3	1,2
Vlaams 6!ok	1	None	1.4	Right to work	7	-2	1.2

sought a package of measures which would soften the blows of austerity. The trouble was that not only did they not agree on how their selective reflation ought to take place, they did not agree on basic security policy.

The Flemish Socialists from the Flemish Socialists from the north wanted 16 cruise missiles dismantled and removed. The French-speaking Socialists from the south — Wallonia — were content they should stay. There was then the very real possibility that if the Socialists broke through the socialists broke through the socialists of the world be the coalition, there would be serious problems in putting another coalition together at

brained schemes. They had sought a package of measures which would soften the blows of austerity. The trouble was the less real. The Socialists in Flanders cut into the Liberal vote, exposing the weak link of the coalition. And the Flemish Liberals are the most destribution the most addicted.

doctrinaire, the most addicted to free enterprise policies, of all the parties in the coalition. To that extent, the Socialist campaign that the burdens of campaign that the burdens of austerity are not evenly distributed struck a chord, and it could be that this will force the coalition over the coming months to do something of what the Socialists demanded—

Both the Socialist parties increased their share of the vote — a warning to the coalition that the light at the tunnel had better get brighter standards)

In fairness to the coalition though, it had never made any secret of the fact that its aims have been, and will remain, to reduce the (by European standards) abnormally high—but not enough to affect the level of government spending

restore some consumer pur-

For the coalition though, the loss of Flemish Liberal seats was offset by the strong performance of the Christian Democrats in Flanders—the so-called Martens factor—and the gain of two seats in the south by the Social Christians. The latter, attribute their better latter attribute their better performance to the fact that, this time round, as opposed to 1981, they were going into the polis after coalition with the right, not with the left,

Add these performances in with the emergence of the French-speaking Liberals as the biggest party on the confused electoral scene of Brussels, plus the increase in the Socialist vote, and it is clear that a fundamental change may be taking place in Belgian government.

This is the apparent down-ward trend of avowedly communal parties, of which the Flemish Volksunie is the most striking example, and of the diminished interest in minority parties—the Greens always excepted.

Certainly this suggests that politics is becoming less frag-mented. The days when the French Democratic Front could claim a part in a coalition have gone. But it is too soon to suggest that tension between the disputations Dutch and French speaking communities, glowering at each other over their internal frontier and squabbling when the border gets muzzy, is suddenly likely a dispute.

The point is that while the party arithmetic may have changed, the communal sentiments have not. Nor have the basic economic problems resulting from a shift of power from the old coal and steel south to the more newly industrialised north. Both are scrapping for different shares of the cake.

Federalist ideology and de-mands for cash make a heady mix. For three and a half years, the coalition managed to keep the issue quiet. But even before it starts again, it will have to address the question of how to meet Flemish claims for a budget. The want that firmly in the programme of the new

France sets its sights beyond Star Wars

By David Marsh in Paris

FRENCH NUCLEAR weapons
designers are working on plane
to build more sophisticated
nuclear missiles in order to
"punch holes" in any fusing
Star Wars-type defence system
developed by the U.S. and the
Soviet Union.

M Jacques Chevaliler, head
of military applications at the
Commissariat a l'Engrete
Atomique (CEA), yesterney
said France could deploy was
heads during the 1990s and
beyond capable of penetrating
the type of missile shields
envisaged under the U.S.
Strategic Defence Initiative
(SDI).

Strategic Defence Initiative (SDI).

M Chevallier, who has overseen development of Frances atomic warheads since 1972, suggested that the radar installations controlling future supply power defence systems could be "blinded" by sophisticated French missiles. He said President Ronald Reagan's SDI plans added up to a "space Maginet line" whose effects would be "more permicious" than the one built during the 1930s.

His remarks, made during a conference commemorating the

His remarks, made during a conference commemorating the 40th anniversary of France's atomic energy commission, and up to the most detailed public exposition yet made of how France's nuclear arms designess are reacting to the SDL.

He outlined plans for building a new slim-line TN-7, nuclear warhead, nine of which could be carried by France's submarine-borne M4 missile by 1995. At a later date, he said, France could develop low flying cruise missiles which would be undetectable by fadar and other sensing technology. would be undetectable by radarand other sensing technology.
He believed the Soviet Union
would be about three years
behind the U.S. in developing
a preliminary missile defence,
Stepping up the puguacious
tone which France has been
adopting over SDL reserved,
General Jean Saulnier, chief of
staff of the French armed staff of the French armed forces, cast doubts on the feasibility of the programme on both economic and technical

grounds.

He said France was being forced to take account of the likelihood that the superpowers would at some point be operating ground-based anti-missile defences, even though their extension would contradict the 1972 Anti-Ballistic Missile

Treaty.

But France would be able to take counter-measures at relatively low cost by diversifying the trajectory of missiles and improving warheads as well as through other penetration aids.

he said.

Ironically, it coincided with news that the latest protest campaign against French nuclear testing in the South Pacific had run into following a mechanical fault on the flagship vessel of the Green-peace ecologist movement. French authorities on the island of Tahiti at the weekend barred access to the Greenpeace boat, at the head of a flotilia converging on the French nuclear test atoll of Mururos.

4m--

Poland claims election turnout of 78%

THE POLISH Government claimed yesterday that preliminary figures indicated about 78 per cent of the electorate voted in Sunday's parliament.

voted in Sunday's parliamentary elections, despite a boycott by Solidarity.

Mr Lech Walesa, Solidarity's leader said, however, that between 45 and 47 per cent voted in Gdansk, Solidarity's birthplace, compared to 1 government estimate of 70 per cent

With Solidarity estimates for other areas still awaited, it seems clear that both sides are preparing to claim victory. The Government will claim that some 20m people voted, despite the boycott calls, while the boycott calls, while Solidarity will estimate that up to 10m resisted official pressure to 10m resisted official pressure and stayed away, thus spenly registering their deflance. Polish government economic figures after the first nine months of the year show industrial production growing at 2.7 per cent, compared to on annual target of 4 per cent

PINANCIAL TIMES

furter-Societäte-Drucksuth
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West German unions plan 'action week' over jobless

BY RUPERT CORNWELL IN BONN

THE WEST GERMAN central union federation (DGB) yester-day embarked upon an "Action Week" of rallies and both its organisers and the centre-right Government's failure to secure a reduction in the country's large unemployment rate.

engineering worker's strike in rallies and meetings have been "recession of the early 1980s.

rallies and meetings have been "recession of the early 1980s.

The unions took particular and Saturday with demonstra-offence at Chancellor Helmut tions in 18 cities. The DGB is Government in Bonn.

For the former, the rallies to thousands" of people to turn led to last summer's strike, as out, and has printed 5m leafiets for the occasion.

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Underlying the protest is a Government, unions and labour the plant of the campaign for a 35-hour week, which thousands of people to turn led to last summer's strike, as out, and has printed 5m leafiets of thousands of people to turn led to last summer's strike, as out, and has printed 5m leafiets of thousands of people to turn led to last summer's strike, as out, and has printed 5m leafiets of thousands of people to turn led to last summer's strike, as out, and has printed 5m leafiets of thousands of people to turn led to last summer's strike, as out, and has printed 5m leafiets of thousands of people to turn led to last summer's strike, as

What happens between now membership and growing dis-and Saturday is unlikely to interest, especially among the bear out some alarmist predictions heard lately that an end while, will be able to guage to West Germany's legendary from the turnout the strength good labour relations is at hand, of feeling on the unemployment total has been stuck at a post-But the programme constitutes issue, with a general election war record of well over 2m, des-the largest display of union barely 15 months away.

muscle since the seven-week

In all, more than 1,000 economic recovery from the would have to give further

servative economic policies, and that if Bonn were to be that up to 450,000 jobs should be created during 1985 and that up to 450,000 jobs should be created during 1985 and that if Bonn were to be end that if Bonn were to be that up to 450,000 jobs should be created during 1985 and that up to 450,000 jobs should be created during 1985.

their image, at a time of falling

Underlying the protest is a Government, unions and labour genuine sense of grievance to try to agree a common among union leaders at what strategy to create jobs proved a they see as the coalition's indifference to the unemployment crisis here. The jobless that here start has been start at a post.

involvement in corporate decision-making, and restore what he claims are cuts in social benefits since the centre-

ing these charges with a battery of statistics of its ownnotably that recovery is now gaining pace thanks to its conservative economic policies, and

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France's Socialists turn their backs on the past BY DAVID HOUSEGO IN PARIS

"IT IS the end of one party and the beginning of another," said a senior French Socialist

whose position on the left of the movement gave him good reason to be unhappy with the change in the party's identity to which the recent Toulouse con-gress gave its blessing. What has disappeared from the Socialist litany is the most easy to define. There was no

easy to define. There was no singing of the Internationale at the end of the congress. Gone were the references to "class war," to a "breach with capitalism," or to the state's role in forcing change in the economy through owning the means of production.

Even M Pierre Mauroy, the former Prime Minister, and the party leader most loval to

the party leader most loyal to the generous-hearted Socialism state. He told the congress that with which it came to office, "we must invent new forms of had given a modernist brush democracy to counter the stroke to his language. But he gigantic power that the public still sounded old-fashioned and administrations, science and out of tune with the new mood of the Socialists.

science and the media have achieved. That is a key task as it involves pre-

But if the party has shed venting the manipulation of the much of its past, it has still to individual." give precision to its new Another area in which policy identity. That will take time is being redefined is over social and will be largely done on the basis of who the party chooses heart the cluster of recent as its next presidential candi-sociological studies which show that the "119 optimized and approximately in the way that the "119 optimized and approximately in the president and approximatel

well.

But the two front-runners as Hence the emergence of a new candidates are M Michel Rocard, who has long been the leader a "minimum social guarantee" of the party's social democrat wing, and M Laurent Fabius, the Prime Minister, who is certainly to the right of him. Both build their programmes around the view that if they are to stand a chance in a presidential race, they need the support of a majority of Frenchmen.

majority of Frenchmen.
That means a programme that appeals to the centre. Thus, the only unambiguously Leftwing party in France is now the Communist — and it has retreated to their working-class shetto.

Both M Rocard and M Fabius share in common the belief that the goal of economic policy must be the reinforcement of must be the reinforcement of French industrial competitivity. M Rocard at Toulouse preached like an OECD policy document—or like some of the opposition's economic spokesmen—in saying that one of the major challenges that faced France was to free French society of the rigidities and the strait-"the rigidities and the strait-jackets in which it is im-prisoned."

The reference to "rigidities" is coded language for advocating a programme of work-sharing and job flexibility about which the unions are extremely

piration" of the public sector. principles.

Decoded, that means that the The o Decoded, that means that the The only Socialist at Socialists are prepared for a Toulouse to say squarely that partial denationalisation that he was in favour of a coalition

economic and social change, television. For M Rocard, the state has no But M are enforced.



Mauroy: out of tune

date, in the way that the "110 the anxieties and uncertainties proposals" of President that recession has brought francols Mitterrand before 1981 defined the Socialism to which the party is now saying fare—

They are also aware of the community.

But the implication is that the better-off will have to finance more of their own health and retirement benefits. If the Socialists are badly mauled in the general election next March, the shock could push them leftward again as

happened to the British Labour Party after defeat. But the chances of a substantial retreat now seem less likely. In its more optimistic mood over the weekend it was the alternative thesis that pre-occupied the party more and which M Rocard forced it to face up to publicly for the first time. His argument is that, as a result of proportional repre-sentation, the Socialists with

sentation, the Socialists—with only 25-30 per cent of the national vote—have no chance of winning an absolute majority But proportional representation also means that the parlia-mentary Right might fail as well to secure an absolute majority. Hence the possibilities of alliances, of shifts across party borders and of a blurring of the traditional distinctions between Left and Right.

All this is a minefield for the French Socialists because up to

doubtful.

M Fabius brushed aside another taboo when he said that implied that there were traitors the Government was ready to within the Socialist ranks pre-put through a law on the "res- pared to beiray party and

Socialists are prepared for a partial denationalisation that he was in favour of a coalition would legally permit national into which centrists or Right-ised industries to spin off their was M Jacques Delors, now a Marchaeland of the EEC Commission of the EEC Comm subsidiaries.

Both leaders are turning president of the EEC Commisupside down the Socialists' sion. M Delors did not speak at traditional view of the state as the conference but made known that the conference but made known and the conference but made known the conference bu a benevolent instrument of his views on radio and But M Fabius as well left

place as a producer of goods little doubt that if the but has an important though Socialists achieved a good more discreet, role as an score in March, then either he umpire in the market place, or some of his ministers could laying down the rules of the be partners in a government game and ensuring that they whose goal was to support the President of the Republic and For M Favius, what counted which included members of the over the weekend was protect- Centre or the Right. M Rocard ing the Individual against the could be tempted as well.

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EUROPEAN NEWS

Italy puts forward plans to extend Strasbourg's powers

THE MOST radical proposals so far ments already advanced by West to extend the powers of the Euro- Germany and the European Compean parliament over the operation mission, which would divide the of the EEC have been presented by powers of the parliament into a Italy to the inter-governmental con-

The plans, presented to the top-level group of national officials neng on possible amendments, would give the assembly an effective power of veto over a wide range of new areas, including moves to complete the unified internal market, to co-ordinate research and development and to protect the envir-

They were submitted at the weekend, just before the informal deadline set for new ideas to reform the decision-making processes of the Community and extend its area

In a flurry of last-minute proposals, France yesterday also put in an amendment on the extension of EEC operations, the Netherlands was expected to submit suggestions on the working of the European Commission and the parliament.

The Italian proposal is the third seeking to tackle the controversial area of how to increase the demo-cratic control of the European parl-iament over EEC affairs and is like ly to run into strong criticism from delegations such the Danish and

It has the virtue of being considerably simpler than the amend-

ference seeking to amend the grees of authority over difference treaty of Rome. Italy is seeking to give the parlia-

tional parliaments, to amend proposals from the Council of Ministers at a first reading, and ultimate ly to reject such proposals by a sim-ple majority at a second reading.

The whole process would be kept to a strict timetable, with two months for the parliament to vote on a proposal. Failure to consider the matter would simply allow the council to press ahead

The earlier proposals on the powers of the parliament, which has been directly elected since 1979 from all 10 member states, would have a variety of different levels of consultation, conciliation and co-operation between the European MPs and the Council of Ministers.

The German proposal would also establish a "mediation committee" to reconcile the views of European MPs and the ministers on specific issues, on the lines of existing practies involving the German Bun-destag and the state governments. Permanent representatives of the

member states were meeting in Brussels last night and continuing again today, under the chairman ship of M Jean Dondelinger

Warning shot by Greek bank union

By Andriana lerodiaconou in Athens

BANK EMPLOYEES in Athens, Piraeus and the surrounding suburbs stopped work for three hours yesterday in protest against economic austerity measures announced by the Socialist Government last Friday. The measures included a 15 per cent devaluation of the drachma and a significant trimming of the present system of wage

The bank strike was unanimously approved by the leadership of the Greek bank employees federation, which includes socialist, as conservative trade unionists. The fear is that socialist labour unions will break ranks with the Government, as well as with the socialist majority in the leadership of Greece's Trades Union Congress, GSEE, and refuse to support implementation of the new austerity

The pro-Moscow communist opposition is leading resistance against the measures, starting to-day with protest demonstrations in 14 cities around Greece, including Athens, Salonika and Piraeus. Communist Party central committee announcement emphasised the need "for immediate, united action by all workers, independent of political affiliations."

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The Government, meanwhile, held a special cabinet meeting yesterday "to discuss the implem tion of the austerity package." The meeting was expected to be largely devoted to working out a policy for

confronting the increasing strikes. The Government has said it will follow up last Friday's measures with a decision this week on the fate of more than 40 ailing industrial enterprises whose debt to the banking system exceeds 160bn drachmas (\$1.2bn). The management of those concerns was taken

UK repeats threat to quit Unesco

By Patrick Blum in Sofia

BRITAIN yesterday reaffirmed its threat to pull out of the United Na-tions Educational and Scientific Organisation (Unesco) unless further

organisation. Mr Timothy Raison, the British Minister for Overseas Development; told delegates attending Un-esco's 23rd general conference in Sofia: "We insist on thorough-going and comprehensive reform. Without it our intention to withdraw will be

In an otherwise low-key and at times conciliatory speech Mr Raicalled for a return to the value and ideals of Unesco's founders and elcomed some of the changes that had taken place in the organisation in the past 18 months. Britain, he said, wanted to uphold the constitution of the organisation.

Britain has taken a leading role since the U.S. pulled out last De-cember in pressing for reforms against what Mr Raison described as persistent problems of inefficiency, political bias and financial misnagement. There had been some progress and "significant improvements." but this was not enough.

He rejected a notion put forward by some Third World countries and supported by the Soviet Union and its allies that there had now been enough reforms and that Unesco should settle down to its normal he said. The impetus for reform has to be maintained."

He dismissed moves to sack all U.S. employees from the organisation. There is no basis for this; we would be very reluctant to see that happen." Such a move could strengthen Britain's decision to withdraw, he suggested.

There has been mounting pressure, especially from Common-wealth countries, for Britain to remain in Unesco.

Walker.



OVERSEAS NEWS

Philippine economy likely to contract

THE PHILIPPINES economy will have a negative growth rate in 1985 for the second year running with gross national product shrinking by 2.5 to 3 per cent, the Government economic planning agency said

yesterday. The forecast is a revision of a previous estimate of GNP decline of only 1 per cent for the year. The new projection was made as a result of a 4.6 per cent decline in GNP during the first half.
But the independent Centre

for Research and Communica-tion (CRC) came up with a far more pessimistic economic outlook for 1985 with GNP growth forecast at minus 5 to 6 per

CRC had predicted a negative growth rate of 5 per cent during the first half which came close to the actual 4.6 per cent fall reported in official figures. CRC economists said there was no significant improvement in the key economic components such as consumption, investments, gov-ernment spending and exports.

In 1984, the Philippine economy recorded a negative growth of 5.5 per cent, its worst since the end of World War II.

Hong Kong's total trade in the first eight months of this year amounted to HK\$ 305.1bn (£27.8bn) up 7 per cent from the same period in 1984, the Census and Statistics Depart-ment reported, AP-DJ reports from Hong Kong. Imports totaled HK\$ 150.7bn,

fell by 6 per cent to HK\$ 83.9bn while re-exports amounted to HK\$ 70.4bn, up 37

JAPAN'S DIET PREPARES FOR HEAVY AGENDA

Nakasone faces defence dilemma

MR YASURIRO NAKASONE. Japan's Prime Minister, yesterday again committed himself to respecting " the nine-year-old cabinet guideline restricting defence spending to 1 per cent of gross national product. He did so in a policy speech

inaugurating an extraordinary session of the Diet, his management of which over the next two months may be important to his own chances of remaining in office beyond next autumn. The Diet's agenda is heavy.

It will include new measures, due to be unveiled today, designed to boost domestic economic demand principally by stimulating public works and private construction projects.

It also features the complex question of the redistribution of electoral constituencies to take account of the shift of population to the cities. Japanese courts have already declared the lest two general elections unconstitutional (but valid) because of representational imbalances, and Mr Nakasone is said to feel that if the problem

cannot be resolved he may even lose his freedom to dissolve the But defence spending re-mains the touchiest issue. In

his speech yesterday, he gave no clues as to how he proposed

Japan will today announce a 12-point plan to promote domestic economic demand and thus, it is hoped, help narrow its trade surpluses.

The items fall into two categories — for immediate implementation and for the longer term. The former includes more housing and public works projects, with some concessionary interest rates available to developers, expanded local bond issuance and a broader role for the Janan Development Bank (JDB).

The latter section will be less specific, but will call for adoption of the five-day working week, more deregulation, more co-operation between public and private

sectors, and better use of national lands.

However, the Government has failed to agree on tax

cuts for housing investment, largely because of resistance

from the Ministry of Finance.

This removes something of the muscle from the pro-

gramme, though a general income tax cut as a pre-

election inducement next year

by the Government is still

fine tuning, Japan, along with other nations, committed itself at the Group of Five finance ministers' meeting in

be on the spot for the next two months, relieved only later this month by his trip to New York bachev were to meet next month, adding that "Japan will especially watch and support this American-Soviet dialogue to ensure that it is fruitful." Equally, with an eye to both for the UN general assembly and the planned informal summit with leaders of other industrialised nations. Even internal and external critics, of whom China has been recently this excursion is not without potential pitfalls, given the fraught nature of Japan's comvocal, he said Japan would not become a military threat to its mercial relations with the U.S. neighbours, nor would it aban-don its non-nuclear principles and Europe.

If, at home or abroad,

very much on the cards. Advance word of the details suggests that they go little beyond conventional Japanese

New York to boosting demand Mr Yasuhiro Nakasone length of the need for Japan to work for international peace. He said he was pleased that President Reagan and Mr Gorbe to the peace on the spot for the next two work well with Mr Nakasone. work well with Mr Nakasone, even to the point, in the case of

Mr Abe, that he seems torn by being identified with the Prime Minister on the one hand and the political imperative of opposing him as one of the "new leaders" in the ruling Liberal Democratic Party on the other.

running strongly or not will be evident in December, when the annual Cabinet reshuffle is due. no clues as to how he proposed to resolve the apparent incompatibility of the 1 per cent ceiling and the new medium-term defence plan, to which he is strongly committed and which implies outlays in excess of 1 per cent.

But, in trying to soften his have proposed to cross-examine but in the control of its own military.

Opposition parties have promised to cross-examine but in the control of its own military.

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Opposition parties have promised to cross-examine but in the control of its own military.

Opposition parties have promised to cross-examine but may decline. His principal Tokyo, but if either were party rivals, Mr Shintaro Abe, land a central political position the foreign Minister, and Mr such as LDP Secretary Gen duct their traditional boycott of parliamentary proceedings. Minister, are biding their time, ascent and, possibly, the P. even if a little complacently, Minister's on the decline. Mr Abe and Mr Takeshita might be persuaded to stay on, given next May's economic summit in Tokyo, but if either were to land a central political position, such as LDP Secretary General, their stars would be seen in the ascent and, possibly, the Prime

Australia's trade deficit up sharply

By Michael Thompson-Noel

AUSTRALIA RECORDED trade deficit of A\$216m (£108m) last month, up A\$122m on August, boosting its current account deficit for September to A\$1.1bn up A\$140m on the A\$1,1bn up previous month.

Although the domestic economy is performing robustly, Australia's trade record this year has inspired little confidence.

The trade deficit for the

September quarter was A\$784m, against A\$600m last year, while the current account deficit rose by A\$550m on the same quarter last year, to reach A\$3.3bn. Net apparent capital inflow

for the quarter was A\$2.6bn, down A\$272m. Mr Bob Hawke's Labor Government is enjoying significant successes with its pay and which seeks coherent integration of wage, tax, productivity and prices policies. Yet the trade picture remains glum. Last month the trade-weighted indexed value of the Australian dollar (May 1970=100) fell 2.4 points to 64.8.

pposing him as one of the "new eaders" in the ruling Liberal Democratic Party on the other.

A firmer indication of who is and by 8.3 per cent against the

Over the first quarter of Australia's new financial year (July-September), exports rose machinery and transport equip-ment accounting for about 60 per cent of the increases.

The net invisibles deficit for the quarter was 17 per cent higher at A\$2.6bn.

FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

Post & Telecommunications — gearing up for future development

W B T Ridgard, Postmaster General, talks to Richard Rolfe, London-based international editor of Finance Week of Johannesburg.

Noise: The mandate given to Post Office administrations is not the same throughout the world. What is the position in South Africa?

Ridgard: Put simply, the SAPO's responsibilities require it to be administered on business principles, so that an efficient postal and telecommunication service is available to commerce, industry and agriculture and to the Republic's foreign trade. Our key role in the economy is best assessed when you consider that in developed countries, 50% of the gross national product is contributed by those who work in handling information.

Rolle: The main thrust of your activities is clearly on the telecommunications side. What has the historic growth been in this sphere and what is the outlook for the fature?

Ridgard: Because of lower government spending, we have had to curtail our capital development. So while the growth over the last five years could have been better, it has not been too unsatisfactory. The number of telephone stations has grown from 2,9 million in 1980 to almost 3,9 million now and could approach 6 million by 1990. The number of call mits at automatic exchanges has shown an acceptable increase over this period; from 8 595 million to

12 590 million — a total growth in excess of 46%. Expansion in telex services over the last five years almost reached 72% - a most satisfactory performance seeing that the business sector is not exactly enjoying a boom period at present. At the beginning of 1980 there were just over 18 500 telex subscribers and this figure has now risen to over 32 000. We confidently expect to have 45 000 telex terminals connected to the network by 1990.

Rolle: How do your tariffs compare interna-

Ridgard: So many factors have to be taken into account that a simple comparison will not always be valid. There's no doubt that, generally speaking, our tariffs are among the lowest in the world. For what it is worth, the results of a survey made in 1982 of the national telephone tariffs of 69 prominent countries showed that 61 had a higher charge for trunk calls than South Africa over a distance of 100 km and 63 a higher telephone rental charge.

Rolfe: How do you foresee your capital needs being met within your current planting horizon?

Ridgard: Our provisional budget over the next five years is R11 000m and we can finance it in two ways our operating surplus and loan funds.

Our aim is to finance 50% of our capital expenditure from own funds and 50% from loan funds, but our self-financing component has been much lower than this for some years. As a developing country, our capital needs are high and we have been investing for a great part in the kind of infrastructure that does not render immediate return on investment. This will change, of course, and if in addition to the higher return on investment through greater usage, we can move to a more cost-related tariff structure, we should achieve the required level of internal funding.

As regards the loan component, we will try and satisfy as much of our needs as possible on the domestic market through our public savings facilities and local stock issues. We expect to raise the balance in foreign capital markets - last financial year we raised R734m and we are budgeting for R560m this time around.

Rolfe: Why do you not privatise the South African

Ridgard: Before answering that, I must stress the fundamental difference between the socio-economic conditions in the UK. Europe or for that matter North America and those in South Africa.

For most developed countries the objective of providing universal telephone service has long since been achieved and many of the administrations are in the enviable position of being able to finance capital expenditure wholly from revenue, without resorting to significant tariff increases. The emphasis in these countries is shifting from providing telephone service to that of data switching and the introduction of enhanced facilities and value-added

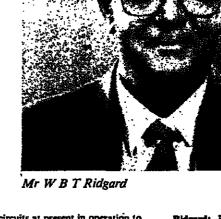
But in South Africa the provision of services in rural and many residential areas on a far more general basis is yet to be achieved. In addition heavy investment is necessary to convert the basic switching and transmission network from analogue to digital technology to provide the basic foundation for the growth of modern telecommunications

Privatisation on an indiscriminate basis to eliminate cross subsidisation of services could, short of financial support from the central governs result in curtailment of service provision in all but the most profitable areas and severely affect investment in the vital infrastructure. Neither of these developments would be in the best long-term interests of South Africa.

In the meantime we are watching developments in America and Britain with great interest. If the time ever does come to privatise the South African Post Office we shall have plenty of examples!

Rolfe: On the international side, what are your links with other countries?

Ridgard: International telecommunication links consist of a 360 channel submarine cable (SAT-1) to Portugal, which was commissioned during 1969 and provides via other submarine cable systems, direct connection with Canada, the USA and other countries in Europe. The SAT-I cable is supplemented by a satellite earth station at Hartebersthoek near Pretoria. There are three antennae, with nearly



1 000 voice-grade circuits at present in operation to various countries, of which two have access to the INTELSAT Atlantic Ocean region satellite system and one to the Indian Ocean region system. Telecommunication routes with adjacent countries are provided via open-wire carrier and microwave

Our telephone services connect to 204 countries, 51 by direct routes. Telex services exist to 196 coun-

tries of which 34 are connected by direct routes. International data packet switching also is of growing importance. It was introduced during January 1983 with direct circuits to the UK and the USA. The duration of packet switched calls has increased by just over 100% over the past year. It is currently available via these circuits to 11 other countries. Before its introduction, the public telephone network was used for data comtion between South Africa and abroad. The packet switching service has made it possible for the Post Office to offer data communication abroad about 40% cheaper than via the public telephone network.

Rolle: How up to date is the South African Post Office with the latest technology?

Ridgard: Unlike a number of leading countries in the world, South Africa did not introduce semielectronic switching systems during the post World War II period. Our system has therefore been geared to technology which was in development immediately before and after the war. But in 1977 we decided to introduce electronic digital technology even though its development was still under way. So we avoided expenditure of large sums of money on outdated technology and are now equipping South Africa with a communications network to meet the demands of the 21st century.

In view of our present backlog of some 225 000 telephones one may well question the decision to introduce such innovations as teletex, videotex (known locally as BELTEL), and others. Yet, just as the telephone has become a necessity in almost every household, there is not the slightest doubt that in this era of information revolution these innovations too will become every-day household appliances within the decade. If the South African Post Office were to ignore these developments, we - and this country - would fall behind irrevocably.

Rolfe: What role is the Post Office playing in development of the domestic electronics industry?

Ridgard: Post Office policy in respect of the development of the electronic industry has always been very clear. We naturally favour South African partnership to the largest possible degree, while accommodating and acknowledging the value of associations with overseas firms.

Partnerships of this nature must naturally be restricted as the Post Office cannot afford the luxury of too many suppliers and it was for this purpose that a policy of rationalisation is enshrined in the Supply Agreements which legitimise the relationship between the Post Office and its partners in industry. Agreements were first conceived during the decade following the last war when it became increasingly evident that special steps would have to be taken to stimulate the development of a local communication and electronic industry.

The first such agreement was entered into in 1958. On renewal, conditions for local competitive tender simply did not exist and agreements based on local cost investigation, to ensure that the Post Office obtained the best equipment at the best price, have been operative ever since. The extent of our assistance in the form of orders to local industry during the current year will amount to approximate-

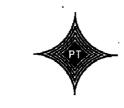
The spin-offs from these agreements for South African industry are considerable. The Post Office effectively supports eight major manufacturers employing approximately 10 000 people. These

units, in turn, employ many sub-contractors. It is therefore clear that without the constraints of economic viability the South African electronic industry has been helped to build up technical expertise in fields which it would have otherwise been unable to acquire. Post Office contracts have undoubtedly been the key to the establishment of this local industry which is now able to use its extensive capability also in the private sector,

Rolfe: What is the South African Post Office's function in the regional context?

Ridgard: We are fully aware of the importance of efficient telecommunication services between the countries in the Southern African region. To this end, we have, when requested, over the years provided technical and other assistance, including training, to neighbouring countries and as such played an important role in the harmonious development and operation of the telecommunication infrastructures of countries in this part of the sub-continent. There has always been very good cooperation between us and our neighbours and we will continue to make our expertise and knowledge available to them, always on request.

Similarly, while possessing their own satellite earth stations, South Africa's other neighbouring countries, Botswana, Lesotho, Mozambique, Swaziland and Zimbabwe also still utilize our transit facilities for the exchange of their telecommunications traffic with each other and to a lesser degree for some of their traffic with other countries.



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Teletex 3-78000

BY ALEKSANDER LEBL IN BELGRADE

ABU ABBAS, member of the Nemmer Hamad, head of the tion Executive Committee has Abu Abbas's departure but left Yugoslavia after Yugoslavia refused to say where he went: had rejected an American "I don't know why, don't request to detain him in connec-know where, don't know how," tion with the hijacking of the said the young man at the PLO Italian cruise liner Achille mission, where reporters had

That Belgrade let him leave ference that was cancelled. came as no surprise in view of Yugoslay-PLO relations. Yugoslavia recognises the PLO as the only representative of the Palestinian people. It maintains diplomatic relations with it,

Yugoslavia broke off diplomatic relations with Israel 18 denial that Abu Abbas had left years ago, although it maintains some trade, cultural, sports and other relations.

Palestine Liberation Organisa- mission in Belgrade, confirmed mission, where reporters had been called for a press con-Abu Abbas arrived Saturday on a flight from Italy, freed

by Italian authorities, who said they had no reason to hold helped plan the seizure of the Italian cruise ship, had asked diplomatic relations with the assists it politically and materially, and helped it becoming a full member of the Non-Aligned Movement.

Italian cruise snip, nau asseu Yugoslavia to arrest him.

A U.S. State Department spokesman said Washington was asking the Yugoslav Government for confirmation or

omer relations.

Reuter adds from Belgrade:
A member of the PLO appointed if he has left delegation, saying he spoke for Yugoslavia,"

Peres flies to Washington to 'co-ordinate policy'

MR SHIMON PERES, the seizure of the Achille Lauro waz Israeli Prime Minister, leaves warmly applauded in Israel, and

Peace with Jordan and the status of the Palestine Liberation Organisation after the Achille Lauro affair are high Achille Lauro affair are high on the agenda.

On his way to America, Mr Peres will stop off in Vienna week that the PLO is still bent to address a meeting of the Socialist International. This is

likely to prove controversial as a result of remarks by Dr Bruno Kreisky, the former Austrian Chancello, to the effect allowed to take the rostrum port in Sunday's New York because he ordered recent Israeli raid on the PLO headquarters in Tunis.

Hermitian Area

Times that King Hussein may raeli raid on the PLO headnow be ready to reassess the role
quarters in Tunis.

EVEN during the dark years between a South African parliative Party to the ANC—is a of the 1960s when General mentary party and the banned hopelessly utopian pipe-dream. Smuts' United Party was in African National Congress But the fact that such an idea decline and Mrs Helen Suzman, (ANC) in Lusaka.

decline and Mrs Helen Suzman, the Progressive Party's only MP, alone faced Dr Verwoerd's National Party hell-bent on institutionalising apartheid, a minority of white South African prominent businessmen, Mr cans have always fought tenaciously for the defence of liberal principles and against the politics of racial divisiveness.

Most of them have found

AITICAN National Congress But the fact that such an idea can be launched at all reflects the way South African politics way, came hard on the heels of the meeting between two prominent businessmen, Mr can be launched at all reflects the way South African politics months of government-inspired reform accompanied by unprecedented protest and violence in the black townships.

At the last elections in 1981 the PFP secured around 20 per designed largely to explain the thinking behind the PFP's secured around 20 per designed largely to explain the support for the idea of a "can."

Most of them have found their political home in what has been called since 1976 the Federal Progressive Party
(PFP) which became the
official opposition in the white
House of Assembly in 1974
after the final break-up of the

It's leader, Dr Frederik Van
Zyl Slabbert, an engaging 45year-old former Afrikaner For many the idea of attracacademic, has just returned ting the broadest spectrum—
from the first ever talks from the right wing Conserva-It's leader, Dr Frederik Van

ventional alliance."

Launched three weeks ago. the aim of the alliance is to attract as broad a cross-section of South African opinion as possible behind the need for an open-ended discussion of the kind of constitutional framework required to transform

parliament, against 18 seats for the Conservative Party with the remainder held by the Nationalists

The PFP's support, in Dr. Slabbert's words, comes mainly from "middle class, suburban, English-speaking whites." Increasingly however, it has also attracted middle class Afribaters emedially scademics. kaners, especially academics and intellectuals like Dr Slabbest who became party leader trist mode, and flow to parties in 1979 after giving up a pro-mising career as professor of are right-wing in racial politics

But the party also receives considerable support from busi-

ness, particularly English speaking business like Anglo American whose former chairman, Mr Harry Oppenheimer was a long time Progressive MP. Business was never entirely happy with the Nationalists has become more restive in recent years as the identification. in recent years as the identifi-cation of capitalism with the apartheid system has grown in the black community.

But the PFP's identification with middle class values and business money helps to explain why the PFP has never succeeded in attracting working class votes. Both English and Afrikaner working class voters, have tended to desert even the National Party, in its increasingly reformist and cenin socio-economic policies.

debates and responds to the porters, and others, now recog-annual budget speech. But it hise the correctness of the is at question time that PFP party's analysis. MPs come into their own by grilling the Government.

more loosely structured federal party with members in all state with universal adult three houses of partiament. But given the tribal nature for minority rights, a powerful senate, a bill of rights and able looking nature of the separation of powers. separation of powers.
This is reformist by
South African standards but

The party is committed to

far from radical. Thus in the 1983 constitutional referendum, thousands of PFP voters re-jected the PFP argument that exclusion of blacks would lead to greater polarisation and opted instead to support the

but populist and anti-capitalist Government's tri-cameral parliament for whites, coloureds and As the official opposition, the Indians. In the light of the PFP plays an important role in the various standing committees, introduces no-confidence introduces no-confidence introduces no-confidence introduces no-confidence introduces no-confidence introduces no-confidence into the introduces no-confidence introduces no-confidence into the introduces no-confidence into the introduces no-confidence introduces no-confi

The PFP is actively recruiting coloured and Indian members with the aim of turning replacing apartised with a the party into a multi-racial more loosely structured federal party with members in all

able looking nature of the National Party majority and the bedevilling factor of race, the PFP will probably remain in opposition indefinitely. But as Dr Slabbert's less visit to Lusaka and the launching of the convention alliance indicates its role as a catalyst and ice-breaker is likely to be enice-breaker is likely to be en-

BY WALTER ELLS IN TEL AVIV

Israeli Prime Minister, leaves
Jerusalem this morning for
what is expected to be a crucial
series of meetings with U.S.
leaders in Washington.

Description of the Tunis raid as "legitimate self-defence" was seen here as the mark of a true friend.

that M Peres ought not to be

The atmosphere in Washing has been described in Jerusalem ton should be completely different. The U.S. and Israel have not enjoyed such close Israel is anxious to open bi-

Egyptian aircraft carrying Jordan Palestinians responsible for the gation.

the mark of a true friend.

Mr Peres said this week that his American trip was an oppor-tunity to "co-ordinate a policy

on terror and cannot be considered a party in any peace talks with Jordan. The Americans, for their part, have said that they capeed progress "within a month" on negotiations with Amman. A re-port in Sunday's New York part, have said that they expect

inaccurate.

Israel is anxious to open birelations since the Camp David lateral talks with the King. It accords brought peace with is adamant, however, that the Egypt in 1978.

PLO, and Mr Yassir Arafat, its President Reagan's action in using navy jets to force down an Egyptian aircraft carrying Jordanian/Palestinian dele-

Ethiopia leader urges continued aid to help feed 5.8m people

as 5.8m people will need food assistance totalling some 1.2m

tons in 1996.

In a rare interview with western journalists in the capital at the weekend, the Ethiopian leader said that rains in some parts of the country had helped ease the drought which led to an unprecedented international relief operation over the past year. By the end of 1985 1.3m tons of food will have been shipped to over \$60.

of 1985 1.3m tons of food will have been shipped to over 6m Ethiopians—nearly 15 per cent of the population.

But the better rains, said Col Mengistu, "have not eliminated the situation, hence the need for assistance," going on to make a specil appeal for the 200,000 children either orphaned or permanently separated from their parents as a result of the drought. a result of the drought.

In the wideranging interview the Ethiopian leader expressed the Ethiopian leader expressed tion from areas of anti-"gratitude" to Western donors, government rebel activity. but in answer to a question stressed that the level of stressed that the level of was "an integral part of Western aid would not affect general development" said Col the country's political alignment, which is strongly protecting the argued that the Col Mengistu's appeal for

Col Mengistu reaffirmed the country's Marxist-Leninist ideology and said that he gorically rejected " suggestions by some Western observers that the country's agricultural policies had exacerbated the impact of the drought.

He also urged Western donors to reconsider their attitude towards the Government's peasant resettlement programme in which over half a million people have been moved from drought-hit areas to better watered and more fertile land, with a further half million scheduled for resettle-

Western governments have refused to back the programme, claiming that there has been coercion of families, that the scheme is ill-planned and in part politically motivated, designed to reduce the popula-

The resettlement programme

ETHIOPIA'S leader, Col Mestern response from volunMengistu Haile Mariam, has tary organisations and governinged aid donors to continue ments was "basically a government officials and aid manine relief to the country in the coming year. Government officials and aid workers that "donor fatigue" may set in following the initial response to harrowing pictures response to harrowing pictures and accounts of the famine.

Commissioner Dawit Wolde Glorgis, head of Ethiopia's Relief and Rehabilitation Commission, told a donor meeting in Addis Ababa last week that 1.2m tons of food would be needed for up to 5.8m people in 1986. In many areas the last rains had been below normal and in same cases less than last year, while peasants who had been displaced by the drought, and were without seed or draught animals, were unable to take advantage of the

1986 is likely to be Harcreghe in the south east, where crops season. Government officials in the province's capital, Dire Daws, last week warned that around 1.2m people will need food aid, and existing supplies will run out in 10 weeks.

It is the fourth successive

The resettlement programme year of drought for the was "an integral part of province, which has a large general development" said Col Mengistu, and "a strategic long term objective."

Col Mengistu's appeal for assistance," said a local official.

White soldier killed in South Africa

By Our Johnnesburg

FOR THE first time in over ror the first time in over a year of combined army/police operations in South Africa's black townships a 19-year-old white corporal has been killed in the course of duty. The soldier was knifed to death in the Port Elizabeth township of Kwarakele, as he and other soldiers left the safety of their armoured car and ran after a crowd of black after a crowd of black demonstrators who had been stoning their vehicle. Corporal Johan Schooman, a pro-fessional soldier, was knifed in an alley and another soldier was knifed in the

dwellers have died over the last year of rioting and unrest and Mr Louis Le Grange, Minister of Law and Order, amounced last month that 11 policemen had been killed and policemen had been killed and 357 injured during the unrest. Despite the declaration of the state of emergency in 36 magisterial districts on July 21, under which more than 5,000 people have been detained and nearly 4,000 subsequently released, conditions remain tense in townships where the undertions remain tense in townships where the underlying causes of remain.

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VANCOUVER, MAY 2 TO OCTOBER 13, 1986.

AIR CANADA (*



S. Korea acts to boost inflow of investment

BY STEVEN B. BUTLER IN SEOUL

SOUTH KOREA has taken further steps to encourage mitted to attracting foreign direct foreign investment by increasing the areas open to investment and simplifying procedures.

believed to be more firmly committed to attracting foreign equity capital as a means of helping to reduce South Korea's dependence on foreign borrowning. New regulations raise the

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in Africa

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New regulations raise the ceiling on automatic approval of joint venture proposals from \$1m to \$3m.

In addition, they grant the Ministry of Finance sole responsibility for the approval of direct investment proposals, removing what has been a serious stumbling block for some companies.

Previously, joint venture proposals of more than \$1m went through an inter-ministry foreign capital project review committee. That occasionally subjected proposals to severe political pressures.

In 1924, a British Petroleum proposal for a gas bottling joint venture with Samsung Corporation was rejected after domestic competitors fought bitterly against it by applying pressure on the Ministry of Trade and Industry, which had to pass on all proposals.

The Ministry of Finance is ing.
The rules add 102 categories

Danish airlines fight **SAS** rights

Denmark's four independent airlines have launched a campaign to persuade the Government to limit the exclusive rights enjoyed by Scandi-navian Airlines Systems (SAS). They want to expand their own services.

SAS has recently called on the Scandinavian govern-ments, which own half the airline's stock, to extend for 15 years, from 1995 to 2010, the constortial agreement on which SAS operations are

The airline claims the extension is necessary if it is to invest in aircraft at the beginning of the 1990s. The independents, Cimber Air, Maersk Air, Constr and Sterling Airways, have sent a letter to the Folketing (parliament), and a copy to the EEC commission, calling for rights to fly scheduled routes not used by SAS; and an abolition of all geographic and time restrictions on charter flights abroad. charter flights abroad.

They also want rights to carry freight and post and are seeking the economic and legal separation of SAS's air transport operations and its other interests,

Alan Friedman reports on the background to a trade fair in Bologna

Britain raises the flag in Italy

FOR THE whole of this week the city of Bologna will have a particularly British flavour. Lord Bridges, Ambassador to Rome, yesterday opened the city's British Trade and Technology week, an effort to promote British exports to Italy.

British business community that Italy offers a far more as chemicals, office machinery announced plans to merge its as chemicals, office machinery announced plans to merge its as chemicals, office machinery announced plans to merge its as chemicals, office machinery announced plans to merge its as chemicals, office machinery polyvinyl chloride (PVC) and data processing equipment. Since 1981, British exports to the Italian state-owned commote British exports to Italy.

pollution equipment. The opportunities are real The opportunities are real enough, as a look at Anglo-Italian trade over the past year reveals. The number of UK acquisitions of Italian companies and joint ventures has been rising and British direct investment in Italy last year reached £465.2m, this represents 14 per cent of total direct investment in Italy from countries in the European Community.

nology week, an effort to promote British exports to Italy.

The focus is on advanced UK technology products and services. Some 25,000 Italian corporate profit the same period, the improvement in Italian corporate profit the same period, the improvement in Italian corporate profit the same period, the improvement in Italian corporate profit the same period, the improvement in Italian corporate profit the same period, the improvement in Italian corporate profit the same period, the improvement in Italian corporate profit the same period, the improvement in Italian exports to the UK have increased 65 per cent. The bilateral trade gap has widened. Anglo-Italian accords are the businessmen have been invited to attend specialised seminars on subjects ranging from artificial intelligence and computer-aided design to anti-tank helicopter and are working on plans for a light anti-tank helicopter.

		(£m)				
1981	UK exports to Italy 1,700	UK imports from Italy 2,300	UK bilateral trade deficit 600			
1982	2,060	2,750	750			
1983	2,800	3,200	900			
1984	2,900	3,800	900			

against the lira have been congrew by 40 per cent (22 per tributing factors, cent if oil is excluded), to

sents 14 per cent of total direct investment in Italy from tributing factors, countries in the European Community.

Beyond industrial accords areas — exports, joint-venture agreements and direct investment there is major investment by UK fund managers in the Milan bourse, The City of London's total investment in Italian shares in the Italian shares in Italian shares in

and ounds is believed to be around £500m, or about a quarter of foreign institutional investment in the Italian stock market.

Macro-economic and political actors have persuaded the ment in British exports.

Last year British exports rose imports is around 4.6 per cent, admittedly better than the 3.4 per cent of 1981. But West Germany and France have a much bigger slice of the pie, with 15.9 per cent and 12.4 per cent actors have persuaded the suffered a trade deficit with

part. They are already co-operating on the EH 101 offshore helicopter and are working on plans for a light anti-tank helicopter.

In the aircraft and aerospace industries the Italians are seeking closer ties with British com-panies, not least on a potential

panies, not least on a potential European fighter aircraft pro-ject which would also include West Germany. In the defence sector Plessey last year took a 35 per cent stake in Elettronica, Italy's leading maker of electronic warfare equipment.
In other areas GKN, the

British engineering group, has taken a third stake in Carraro, a leading maker of four-wheel privatising.

British diplomats in Rome meanwhile, has bought a 25 per and Milan, and a regular flow cent stake in the Cinzano group of visitors from the Department through its international distillers wine and spirits of the Italian market remains subsidiary.

Apart from joint ventures and

not always common "Common Market" industrial links can prove highly valuable. Finally, there is the more predictable interest, on the part of the City, in the boom on the Milan bourse, where the share price index has risen by nearly 80 per cent since last January. UK institutions have been buying shares in Flat, Pirelli, Olivetti, Montedison and lesser

known companies and UK mer-chant banks have been working, with UK stockbrokers, to place shares for Italian state comwhich are partly

of the Italian market remains sizeable. In Bologna this week bigger slice of the pie, with 15.9
per cent and 12.4 per cent takeovers there is a growing by an impressive range of UK awareness in both countries

In industrial co-operation the state to operate effectively in a their efforts bears fruit is

Battle between air giants intensifies

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BATTLE between Airbus Industrie of Western Europe and Boeing of the U.S. for the world's rapidly expanding short-to-medium range jet airliner market has intensified, indicat-ing that the long asserted sixting ing that the long-awaited airline re-equipment tide is flowing strongly. Boeing's order book over the

past three weeks has grown by firm orders for 67 jet airliners of all kinds, worth over \$2bn (£1.4bn). Firm orders for Airbus aircraft in that time have amounted to over 40, worth over

The higher value of the Airbus orders is due to the fact that in some cases the purchasers are first-time buyers, requiring big spares packages. as well as the procurement of larger and thus more expensive aircraft.

The Boeing orders include:

The Boeing orders includes was a state of the Last two weeks included two Asooff-200s for Korea Airlines this week and two Asooff-200s for Korea Airlines this week and two Asooff-200s for Korea Airlines order for 19 A-320

of the U.S. worth \$240m; 12 737s (4 Series 300s and 8 Series 200s) short-to-medium range jets (with worth \$270m for Western Airlines of the U.S.; 2 747 Jumbo and a Lufthansa deal for 15 jets for Thai Airways, worth A.320s (with options on 25 \$240m; one 747 for Marinair more) together with seven Aof Holland, worth over \$100m; and two 737-300s for U.S. Air, For the first nine months of

this year, Boeing's order book grew by 201 aircraft, compared with 135 for the corresponding period of 1984. Most of the orders have been

British Aerospace said yesterday the U.S. government has ordered its Rapler air defence weapon system to protect two bases in Turkey. The equipment would be manned by Turkish military person British Aerospace said the contract was worth tens of millions of pounds. A Rapier contract last year with Indonesia was valued at £100m. British Aerospace is also planning to demonstrate the weapons system to the U.S. Army. U.S. Army.

Airlines order for 19 A-320 300-600s, worth in all \$1.3bn.

Westland Aerospace, part of the Westland group, has won an order worth £3.9m for the pro-vision of 30 sets of engine nacelles for the Dash 8 twin-engined turbo-propeller airliner built by de Havilland Aircraft Company of Canada.

U.S. distributor halts Algerian gas contract

By Francis Ghiles

DISTRIGAS Corporation, of Boston, has suspended its con-tract to buy 1.15bn cubic metres of Liquefied Natural Gas (LNG) from Sonatrach Algeria's state oil and gas com-

The company, which is open The company, which is operating under chapter 11 of the U.S. bankruptcy code, said its decision was the direct result of the Federal Energy Regulatory Commission (FERC) ruling made in May last year that bars take-or-pay clauses in supply contracts to U.S. utilities. That ruling did not affect Distrigas' contract with Sonatrach, but it did undermine the company's dealings with its U.S. customers. Distrigas made a \$5m loss over its summer (May to loss over its summer (May to September) operations.

Bush assures Chinese on protectionism

MR GEORGE Bush, U.S. vice-president, yesterday assured Chinese leaders that he would resist protectionist pressures in Congress aimed at slashing textile imports, Reuter reports from Peking.

Mr Bush had seven hours of talks with Chinese officials including Zhao Ziyang, pre-mier, and Hu Yaobang, Comnunist Party chief, Yachang, A spokesman for Mr Bush said the main issue in the talks was trade. The over Chinese concern about the Jenkins Bill, which seeks to restrict textile imports from China and other countries in order to protect jobs in the U.S., and was passed by the House of Representatives last week.

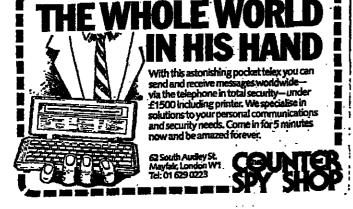
Bosporous Bridge deal

A group of 19 Japanese life insurance companies and banks signed an agreement yesterday to lend the Turkish Government Y16.6bn (£54m) to help finance the second Bosporus Bridge linking Asia and Europe, . Mitsubishi Bank, AP-DJ reports

that includes Mitsubishi Bank, the Bank of Tokyo and the Dai-Ichi Kangyo Bank.

The loans will carry an annual interest rate of 1.375 per cent plus Japan's olng-term rate and will be repayable in eight years, including a fourfrom Tokyo.

The agreement was signed by year grace period. The prime rate is currently 7 per cent.



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Mitterrand set for high level **Brazil talks**

By Andrew Whitley in Rio de Janeiro

PRESIDENT François Mitterrand of France swept into Brasilia yesterday aboard an Air France Concorde determined to restore relations with Brazil to the glories prevailing at the turn of the century "belle epoque."

The five-day state visit is being used in a characteristically French way to promote greater contacts and understanding between the two onceclose nations in an array of fields as diverse as high tech-nology, science, fashion and

On a more prosaic, but for Brazil rather more pressing, note, the French President is expected to give his public support for a political level dialogue between debtor coun-tries and their major creditors, endorsing a regular Brazilian

appeal.
So far, the call has appeared to fall on deaf ears in the in-dustrialised west, but the recent shift in position by the U.S. on the need for greater flexibility on the debt question has raised hopes here that, finally, a broad-ranging dialogue may be about to get

In his two scheduled rounds of talks with President Jose Sarney, President Mitterrand is expected to come under pressure to add substance to the rhetoric by backing a multiyear rescheduling agreement for Brazil's official debt through

the Paris Club. Pending agreement with the International Monetary Fund and private creditors, responsible for three quarters of the \$104bn debt, Brazil has put to one side any substantive nego-tiations with the Paris Club countries. This year it has been paying neither interest nor capital on its officially-backed medium-and long-term

debt.
Commerce and industry
barely get a look in on an
official agenda But it is hard to imagine

that the large French delega-tion will lose the opportunity to pursue various commercial interests which have been hanging fire. Among the more notable prospects are the sale of helicopters to the Brazilian air force and navy—in tough competition with the U.S.—and the electrification of a trunk railway line in Sao Paulo state.

Kidnap of Duarte's daughter places him under growing strain

No end to Salvador nightmare

BY HUGH O'SHAUGHNESSY IN LONDON AND TEM COONE IN MANAGUA

IMPOSSIBLE as it may sound. the war in El Salvador is becoming even more bitter than

A month after the kidnap of Sta Inés Guadalupe, the 35-year-old daughter of President José Napoleon Duarte, there is no sign of her release, and relations between the government and the FDR-FMIN leftwing insurgents have sunk to

Today's anniversary of the talks held in the village of La Palma between Government and guerrilias to end the five-yearold civil conflict, which has cost the lives of 50,000 people, or 1 per cent of the Salvadorean population, is a dispiriting one. The will to continue peace talks has evaporated and there seems to be scant chance that they

The atmosphere in El Salvador is similar to the one pervading the whole region. Despite early hopes for the regional negotiations promoted the Contadora group of governments (Mexico, Panama, a group calling itself the Pedro agency reports, one of which colombia and Venezuela), last Pablo Castillo Front which is reported a recent conversation week's encounter in Panama on affiliated to the FDR-FMLN which ended with Sr Duarte



Duarte-hard times a peace treaty got off to a had

start. The kidnap of the President's daughter with a 23-year-old woman friend on September 10 was a murky business. Respon-

alliance have, however, re-pudiated the kidnap.

The kidnappers have demanded the release of 24 left-wingers in exchange for the two women. The choice While the government refuses before Sr Duarte would be a to release its captives, the inmore kidnappings and angry recriminations by some of the military. Moreover, the President's room for manouevre is alliance, claims: "This spiral of the war.

The strain on a President who is normally credited with nerves of steel is showing. Reporters are able to monitor his contacts with the kidnappers

Leaders of the screaming that he did not have have, however, re-enough evidence that his the kidnap.

daughter was in good health. He had previously heard a message from her begging him to get her out.

difficult one even if his own surgents are equally adamant daughter were not involved. A that they will not include in release of the left-wingers any swap 23 village mayors who would almost certainly lead to have been in their power for several months

dent's room for manouevre is alliance, claims: "This spiral of circumscribed by the fact that violence is a direct consequence eight of the leftwingers whose freedom is being demanded cannot be accounted for; they are accounted for; they are among some 5,000 who have "disappeared" during the course of the war,

""" they are among and the government's efforts to appeared" during the course of the war,

""" this spiral of violence is a direct consequence eight the breaking of peace freedom is being demanded negotiations by the government as the support of organised labour with better wages and conditions, the Government is conditions, the Government is no nearer victory than it ever was. "Both the military and the economic strategies are now in crisis," he comments.

> He discounts arguments that the army is opposing the re-lease of the left wingers. "The

Chrysler faces strike deadline

CHRYSLER, the third largest

U.S. car maker, faces a strike deadline tonight for both the

U.S. and Canada in dabour negotiations which both com-

and made more than \$4.2bn (£3bn) in profits since the start

But analysts project that a

United Automobile Workers union would cost Chrysler

about \$70m a week in reduced

gross profits.
The negotiators were under-

stood last night to be struggling

with major issues. The talks, which affect about 70,000

workers, were expected to follow a format set by the UAW

contracts signed last year with General Motors and Ford.

A proposal by Chrysler last week called for shifting more of the expense for benefits such

as health care to employees, something Chrysler has tried before but which the union has



The pain continues: a Salvadorean army soldier clutches his

Despite clear differences in their ranks about the kidnapping the insurgent forces are still able to strike powerful

in the past, and they know it rebel attack on an army might be one of their daughters tomorrow instead of Duarte's."

The past, and they know it rebel attack on an army barracks near the port of La Unión.

For its part, Government forces, with increasing supplies and training from the U.S., is not letting up. There is an increasingly bloody stalemate in blows against the asmy, as was increasingly demonstrated last week in a El Salvador.

Guyana announces plan to reform electoral system

BY CANUTE JAMES IN KINGSTON

ent foreign and local criticism of its electoral system, and plans to implement reforms before the next General Elec-

tion.
The election, constitutionally due by the end of March, is likely to be called by December by Mr Desmond Hoyte, the

In amouncing the electoral reforms, Mr Hoyte said they were intended to end questions about the credibility of elec-tions and deprive defeated parties of the basis for claiming that voting was unfair. "Consideration is being given, among other things, to

restricting or abolishing, may be necessary, postal voting, proxy voting and overseas voting," Mr Hoyte said. The Marxist Peoples Progressive Party (PPP) and the Socialist Working Peoples Alliance have frequently cited

.....

organisations.

leader of the PPP, has met with the president to discuss a "broad based united government" with the PNC. The opposition alliance renewed interest in co-operation follow-ing an invitation from Mr

to succeed," said Dr Jagan, a Marxist. "If there is no solution, the country could simply

(PNC) in office for the past 21 years.
Charges of electoral malpractice have also been made by international human rights

President Hoyte, who took office two months ago following the death of Mr Forbes Burnham, is said to favour an early election, possibly in the first thalf of December. Meanwhile Dr Cheddi Jagan,

Burnham earlier this year.
"By God, I want these talks

burst apart."
Such a unity could reduce the level of domestic opposition to the Government in the event abuses in proxy and overseas the Government in the event voting, claiming these had contributed to keeping the ruling package of credits from the Peoples National Congress International Monetary Fund

Nicaragua condemns move by **Ecuador**

By Tim Coone in Manag

NICARAGUA has called the NICARAGUA has caused the decision by Ecuador to break off diplomatic and consular relations between the two countries as "regrettable, precipitate and unjustified."

Sr Leon Febres Cordeo, the Ecuadoran President, an-nounced the rupture last Friday, givin gihe reason as President Daniel Ortaga's remarks made earlier in the week that Ecuador was serving U.S. interests and that its possible inclusion in the support from for Contadora would create a division in the

would create a division in the regional peace forum.

President Ortega had in turn responded to comments made by President Febres last week in which he said Nicaragus's elections last November were illegitimate, and that until there are free elections in Nicaragua there would be "a lit bonfire in Central America."

Sr Miguel d'Escoto, the

Central America."

Sr Miguel d'Escoto, the Nicaraguan Foreign Minister, said at the weekend that the Ecuadorean decision was a "disservice to Contadora" and that it should "totally disqualify Ecuador from its efforts to in-

Ecuador from its efforts to in-corporate itself into the support group of Contadora."

President Ortega accused President Febres of trying to interfere in the internal affairs of Nicaragua and said he "lacked moral authority" to criticise Nicaragua when Presi-dent Febres had himself sus-pended next year's elections in Ecuador "violating the constitu-tion of his country." He said that President Febres "should put his own house in order." that President Febres "mound put his own house in order."

Sr d'Escoto also sharply criticised the Reagan Administration accusing it of being behind the Ecuadorean decision and the recent setbacks in the Contadora Group negotiations which were postponed at the end of last week.

Sr d'Escoto blamed El Salva-

end of last week.

Sr d'Escoto blamed El Salvador and Honduras in particular for objecting to limits being placed on foreign military exerrises in the region. He said their new negotiating position was "a rejection of a fundamental prin-ciple of the document of objec-tives" of the group.

The U.S. Government was try-ing to prevent the signing of a

peace treaty in the region. He accused the U.S. of being "an outlaw government" which was demonstrated he said "by the way it has fled in a shameful manner from the International

Businessman to lead Alberta

BY BERNARD SIMON IN TORONTO

AN EDMONTON businessman, and his support for free trade between Canada and the U.S. between Canada and the U.S. Speaking shortly before his taxes on energy producers. He succeeds Mr Peter Cetty said that "when we are Lougheed, one of Canada's treated unfairly, we will always most respected and influential fight and we will fight with contents of the contents of th Lougheed, one of Canada's treated unfairly, we will always most respected and influential fight and we will fight with provincial leaders who is anyone."
leaving politics after 20 years As er
as head of the province's pro-Loughee

As energy minister in the Lougheed Government in the gressive Conservative Party, 14 mid-1970s, Mr Getty was closely of them as Premier. in Alberta's campaign

pany and union bargainers say have been very slow, agencies report from Detroit.

The company has recovered from its brush with bankruptcy

and Ottawa have receded since the Progressive Conservatives took office in Ottawa a year ago. One of the key initiatives of the new federal Government Mr Getty, 52, has pledged to against federal Government has been an agreement with maintain Mr Lougheed's deter- energy policies which favoured three western energy-producing

U.S. consumer confidence falls

economics research organisa-tion, Reuter reports from New

CONSUMER confidence fell in pace than is being projected by the U.S. for the second month the more optimistic economic in succession in September but forecaster," Mr Fabian Linden, remained at relatively high executive director of the Conlevels, according to a U.S. ference Board's consumer

Banca Commerciale

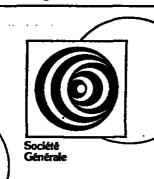
mined defence of western oil and gas consumers in central provinces, providing for subs Canadian interests in Ottawa, and eastern Canada by holding tantial tax concessions

the more optimistic economic forecaster," Mr Fablan Linden, executive director of the Conference Board's consumer research centre, said in a statement.

The U.S. Administration has conditions to improve and the consumer research centre, said in a statement.

York. The U.S. Administration has monthly survey expected business conditions to improve and forecast 5 per cent real growth gest continued economic expansion through the rest of the year although at a slower balf.

Ment monthly survey expected business conditions to improve and more than 17 per cent foresee fewer jobs, compared with over 21 per cent and 15 per cent that the year although at a slower balf.





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Section 1

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"What's special about these Danish companies?"

ABN Bank Copenhagen Branch, Assurander-Societetet, Barclays Finans A/S, Berlingste Tidende, Bikuben, Boliden, Buch+Deichmann, Danish Steel Works Ltd., Danish Telecom International A/S, Danish Turnley Deirles Ltd., Dannebrog Shipyard Ltd., AS De Danske Sulderfabrilder, Domi AS, Duracell-Dairnon ApS, East Asiatic Co. Ltd. (A/S Det Ostasiatisle Kompagni), AS Elizabeth Arden, Ess-Food, F. L. Smidth & Co. A/S, Forlaget Management A/S, Frisko Sol Is A/S, Ginge Brand & Elektronik A/S, Gringes Danmark A/S, Grundios International Als, Haldor Topate Als, Hellerup Bank Als, Henriques Bank Als, Haldor Topate Als, Hellerup Bank Als, Henriques Bank Aktieselskab, Kreditioreningen Danmark Als, Kommunedata, Midibank, Als Niro Atomizer, Norsk Hydro Danmark a.s., Nykredit, Price Waterhouse, Privatbanken Als, Revisionstimmet C. Jespersen, Skandinavisk Tobakskompagni, Statsanstalten for Livsforsikring, The Jutland Technological Institute, Aktieselskabet Varde Bank.

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Suttons seeds buys up rivals

By Martin Dickson

SUITONS Seeds, one of the leading suppliers of seeds to Britain's gar-deners, announced yesterday that it had bought three of the other leading names in the industry - Carters Tested Seeds, Samuel Dobie and Son and R. and G. Cuthbert.

All three are subsidiaries of Horticultural and Botanical (Holdings), which has been sold to Suttons, a private Torquay-based company, by Reckitt & Colman, the household products and foods group.

No figures were disclosed, but Suttons is believed to have paid more than £1m for the businesses Although small in cash terms, the deal is significant for the horticultural sector, since it will mean a substantial concentration of market power.

Apart from Suttons, other leading garden seeds producers include Bees and Thomson & Morgan of Ipswich, Suffolk.

Horticultural and Botancial was acquired by Reckitt last December as part of its £165m purchase of Airrick, the air-freshener and household cleaners group, from Ciba-Geigy. Reckitt wanted to dispose of it. since seeds do not fit in with any of its other activities.

Suttons said yesterday that each of the three companies would con-tinue to be operated separately as each had a brand with a consider-turn later in the year and should reable market loyalty and each had main buoyant through most of next specialist items of interest to the gardening market.

The flop that unseated Sir Clive

BY JOHN GRIFFITHS

his C5 electric tricycle on January might have been better to launch 10 he declared that by the turn of the C5 in spring. the century "the petrol engine will be seen as a thing of the past."

Ten months later, it is Sir Clive's creation that is a thing of the past – unless someone comes to the rescue with enough to pay creditors and

Mr David Sapte and Mr Anthony Locke, receivers from London ac-countants Begbies, yesterday began the task of unsrambling the vehicle company's affairs. They see that January launch as symbolising much of what was wrong with the

It took place before the world's Sir Clive put £7m into the venture media at London's Alexandra Papersonally. Hoover also assumed lace with "test drives" on the snowcovered ground. The few journalists who ventured

out returned shivering - and dubi-ous about the C5's abilities in cold and hilly conditions.

As sales failed to take off, Sir Clive himself, by early summer, 180,000 C5s a year.

Retail sales suffer 1.4% slide in month

RETAIL SPENDING fell by 1.4 per cent in September, reversing the strong rise during the previous month, according to official figures released yesterday.

By Philip Stephens

cials appear confident, however, that sales will regain their momen-

The Department of Trade and Industry said its index of the volume of retail sales fell from a record 117.5 in August to 115.9 (1980 - 100)

Both months, however, are regarded by statisticians as exceptional, with the pattern of buying largely reflecting unseasonal weather. Retailers believe that their August sales were boosted by the bad weather as holidaymakers brought forward purchases usually made in the autumn. That depressed business in the

was compounded by a spell of sunshine. which apparently persuaded some consumers to defer their purhases of autumn clothes. The fall is no surprise to any

body," the Retail Consortium said.

following month, and the impact

WHEN Sir Clive Sinclair launched was prepared to concede that it safety hazard in terms of its visibili-The vehicle appears to have

been marketed wrongly," observed Mr Sapte yesterday, echoing criti-cisms of earlier Sinclair ventures. "It was presented as serious transport, when perhaps it should have been presented as a luxury production an up-market plaything." Sir Clive's appointment of receivers ended a catalogue of adversity

for the machine, which in the last few weeks has been offered for sale by the Comet retail chain for £189 less than half the original price of Sir Clive put £7m into the venture

some of the risk in setting up the production facility at its Merthyr Tyfil, South Wales, washing-ma-

By the end of last year the first vehicles were coming off an assem-bly line capable of producing

A few day before its launch the British Safety Council suggested that the vehicle was a potential

ty to other road users.

The 15mph "trike" also ran into criticism - not least that its claimed 20-mile range was over-optimistic. By the end of January Sinclair Vehicles announced that plans for a second assembly were line "post-

By mid-February, however, the company was claiming that over 5.000 had been sold. Figures issued by the receivers yesterday show the total so far to be 4,500.

In March, Sir Clive said the C5 would be followed in a few years by larger models. But by the last week of April, production was cut from 1,000 a week to 100. The 100 Hoover employees assembling the C5 were

cut to a dozen.

The vehicle also fell foul of the advertising Standards Authority, which ruled that some claims made for it could not be substantiated.

By then, more than 400 retail outlets, including Comet and some Woolworth stores, which sold the machines were becoming disillu-sioned. In May Sir Clive admitted that stocks, at 6,000, were twice pre-viously disclosed levels.

the project's credibility was dealt in July, when Hoover issued a writ against Sir Clive personally, seek-ing over £1.5m for work carried out

on the C5. The writ was never served. While Hoover would not comment on the issue yesterday, a spokesman for Sinclair Research, Sir Clive's electronics oncern, said the issue had been "resolved." The receivers said last night that Hoover was not on the list of creditors.

In mid-August it was disclosed that production of the C5 had ceased.

The receivers were formally ap-

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NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of November 15, 1971, as supplemented, among Mount Isa Finance N.V., M.I.M. Holdings Limited, Mount Isa Mines Limited and The Chase Manhattan Bank (National Association) as Trustee, \$1,848,000 in principal amount of the above Debentures will be redeemed through operation of the Sinking Fund on November 15, 1985 (the "Redemption Date") at the redemption price of 100% of the principal amount thereof (the "Redemption Price") together with accrued interest to said

Interest on said Debentures to be redeemed shall cease to accrue on and after the Redemption Date and on said date the Redemption Price will become due and payable on each of the Debentures called for redemption.

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UK NEWS

Jason Crisp describes how competing telephone systems will link up

Networks ruling gives spur to Mercury

MERCURY COMMUNICATIONS Carsberg, director general of Oftel, did not even try to hide its delight ruled in order to encourage competition and as a result has given Mercury will mostly three tables that set out how grach the ruling on interconnection tition and as a result has given Mercury will not the call it carries. This competition will be on trynk and interconnective, was beam encouragement four years ago — a ing as he failed to think of even one substantial boost.

At the heart of Oftel's ruling are three tables that set out how grach the derenty will pay BT for each element of the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach three tables that set out how grach three tables that set out how grach the call it carries. This is the heart of Oftel's ruling are three tables that set out how grach three tables that the heart of Oftel's ruling are three tables that set out how grach three tables that set out how grach three tables that set out have the heart of Oftel's ruling are three tables that set out have the heart of Oftel's ruling are three tables that set out have the heart of Oftel's ruling are three tables that set out have the heart of Oftel's ruling are three tables that set out have the heart of Oftel's ruling are three tables that set out have the heart of the heart of Oftel's ruling are three tables that the ruling are three tables that the heart of Oftel's ruling are three tables aspect of the decisions made by the

'favoured' By Robin Pauley GOVERNMENT proposals which Office of Telecommunications would make employers give more jobs to black people are already covered by law against racial discri-mination and could come into effect (Oftel) where Mercury was

Anti-racist

staffing

proposals

This approach is covered by existing equal opportunities and race re-lations legislation. It has the advan-

tage of not requiring numerical quo-tas, a system which caused wide-

spread upset in the U.S.

Its disadvantage is that it is difficult to operate effectively, part par-

ticularly as companies can point out

that the Government has fewer

than I per cept of non-whites in its

The Civil Service is monitoring

its ethnic employment survey of Avon, West England, and the north-

west of England, for example

shows that 98.7 per cent of schoolleaver candidates for the executive officer qualifying test were white, 0.8 per cent Asian and 0.5 per cent

black. The figures were similar in

The Cabinet has not yet consid-

ered contract compliance measures

but Home Office civil servants have been told to give analysts of such a

scheme high priority in view of the

Such a scheme was considered af-

ter the 1981 riots but not adopted. It

was not generally thought to be easily effective. The latest moves come with a

greater sense of urgency. A second round of riots in the same areas as

before has led to accusations that not enough has been done to combat racial discrimination in spite of Lord Scarman's recommendations after the Brixton riot in 1981. Lord Scarman said: "The attack on racial disadvantage must be more direct than it has been

particularly in education and em-

Home Office ministers are expected to decide whether to recommend contract compliance to the Cabinet this month although ministers already divided on whether

the general competition.

recent riots.

ployment.

rules by which Mercury - a subsid-iary of Cable & Wireless - and Britimmediately, if agreed by the Cabish Telecom link their competing Mr David Waddington, the Home telephone networks so that any cus-Office minister responsible for race relations, said at the weekend that on the other. This was done after the two companies failed to reach a proposals for a system of contract compliance were being considered commercial agreement earlier this and the "ball was bouncing in their Under these plans the Govern-

The 89-page document from Of-tel, couched in legal terms, spells out most of the details on how, where and by when interconnection ment would ask companies tendering for government contracts about the number of any ethnic minority will be made and how much it will employers they have. If this seemed too low the contracts would not be

will be hugely profitable.

disappointed.

The two principles underlying
Offiel has drawn up the exact
Prof Carsberg's ruling are that any
rules by which Mercury - a subside
Person should be able to dial any
ary of Cable & Wireless - and Britother person and that a customer should be able to choose which network will carry the call. As a result of this ruling Mercury

will be able offer a telephone service to anyone in the country even though it only has a limited network. However, the margins will be nauch higher on customers which are close to Mercury's own network.

As expected, Professor Bryan London to Bath, Birmingham, Man-different signalling systems.

By 1990 Mercury is expected to will dial Mercury with a local call calls at either end of the Mercury have a turnover of over £300m and on the BT network Mercury would serties. carry it for the long-distance sec-tion before handing it back to BT for local delivery.

Because of the technical constraints of the BT's rather antiquated local exchanges, many Messary customers will have to dial twice. They will first dial a number for Mercury and get a dialling tone, they then will have to identify themselves with a personal number and then dial the number they actually want.

Mercury seems fairly happy that computerised private exchanges (PARXs) and "smart" telephones It is at present completing a high will be able to automate a large part capacity network of optical fibres of that process. A further complicawill be able to automate a large part shaped in a figure of eight from tion is that the two networks use

These were determined by Prof. Carsherg - a professor of accountancy - and were calculated on the bases of cost rather than BT's actual fariffs. The prices reflect an effective bulk discount to Mercury, which will make profits on the HT

These prices are to be index linked to take into account changes in the price of providing voice tale-phony. This may remain neutral or given fall as exchange and trans-mission costs drop rapidly while is-bour is rising.

The structure of these charges provides an incentive to Mercury to expand its network so that most of the BT calls are quly at the local

charge rata. Spekbroker Wood Mackanzia estimates that Mercury will pay BT about 15 per cent of turnover as a result of these charges.

There is also a strong incentive in the charges for BT to provide a tollfree route into the Mercury network. The old exchanges will start charging for a call as soon as it is linked with Mercury, irrespective of whether it is eventually connected.

Mercury is expected to instal its own telephone exchanges early next year. The ruling requires that the two networks are physically linked at 36 trunk exchanges by March next year, Mercury has to pay the capital and lahour costs of county making that connection.

However, it has only to pay half the cost of providing the extra capacity to cope with Mercury tele-phone traffic. Mercury has to tell BT how much capacity it will need and there is a penalty if it underestimates and uses more.

A financial watchdog shows its teeth

BA YOHN MÖĞHÉ ĞILA COBBERDÖNDENL

lined the body's role.

The SIB's purpose "is to regulate investment business." Sir Kenneth said. It would be "quite wrong to suggest that as compared with the [U.S.] Securities and Exchange Commission we will have less power sit is being and processed in the told a seminar on the life and processed and the life and processed was that the SEC also had the power to prosecute. The SIB would have to rely on the police and the Director of Public

"My task is not to prosecute, but rather to ensure that the crooks are not allowed in in the first place," he

that the system was dependent on organisations, but the tail cannot be management and advice.

SIR KENNETH BERRILL, chair- self-regulatory bodies. The basic allowed to wag the dog," Sir Kenman of the Securities and Investigation was a statutory one, admin-nearis Board, which is to be the intered by the SIB as a Govern-new main regulatory body for Lon-don's financial community, has our would operate through selfsystem was a statutory one, admin-neth said.

would operate through self-regulatory bodies that had SIB ap-proval to supervise their markets.

"If there are no acceptable self-regulatory organisations, then the Securities and Investments Board will be the sole regulatory authority."

He said the SIB did not intend to be a hostage to the self-regulatory bodies. Those "will be recognised only if they can match up to this statutory system, and they will be of Securities Dealers and Invest-closely monitored by the Securities ment Managers, and the Associaand Investments Board to ensure that they do." They would have to show that

they met the criteria for SIB

There was a clear need for set standards consistently applied in City of London regulation: The client of any investment business must be assured, the business must be properly regulated, and there must be an authority with real power to investigate and act on complaints."

In addition to three envisaged self-regulatory bodies, outlined by the Government this year in a poliey document - the London Stock Exchange, the National Association tion of Futures Brokers and Dealers - there had been a promising suggestion" from a group of invest-ment managers.

approyal. That group, including pension
There is every reason to make fund managers, had proposed an or-Sir Kenneth rejected suggestions the maximum use of self-regulatory ganisation to cover investment

was "at least one very important cial specialists. gap." It was not clear yet who would responsible for the large houses should be formed specifically to acin London that were not members, commodate those groups. of the London Stock Exchange, although many would have stock ex- discussion in a group formed by the change subsidiaries, and would un-

tion of Securities Dealers and Investment Managers was likely to be able to accommodate. He said the group included British and large overseas banks, inter-national brokers and money mar-

exempt under the present Prevenregulation in this country for the and that individuals operating it are first time. Much of their business is honest and competent and that transacted in professional or large there is sufficient capital for the ly professional markets. He cited scale of the business proposed."

Sir Kenneth waraged that these Eurobond dealers and other finan-A self-regulatory organisation

"Such a proposal is now under Association of International Bond dertake a more complex range of Dealers and the International Pri-business than the National Associa-mary Market Association."

For many types of investment business an "investment exchange has great advantages," he said. But in recognising an investment ex-change, the SIB would consider, the "quality of price information that is disseminated and the arrange-ments for ensuring that partici-"Most are in one way or another pants are able to compare quotes." sempt under the present Preven- Sir Kenneth said his board would tion of Fraud Act system, so are need to be satisfied that an invest-coming within formal securities ment business was "fit and proper

nallenge in North America.

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The New Notes are convertible into charge of LTV Common Stock, in itsially at a conversion price of \$10.00 par share, subject to adjustment in certain events. Interest on the New Notes begins to accrue July 16, 7305, is paid semidentually beginning Rovember 1, 1955, and may be paid, at the ootion of RepSteel, in cash, in shares of LTV Common Stock. Any shares of LTV Common Stock or in a combination of cash and shares of LTV Common Stock. Any shares of LTV Common Stock or in a combination of cash and shares of LTV Common Stock, any shares of LTV Common Stock or in

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LTV Center
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Dellas, Texas 7626-5003
214/979-7749 (collect)

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LTV INTERNATIONAL, N.Y. OFFER TO EXCHANGE 101% Convertible Bearer Notes Due 1996

or 101 Convertible Registered Notes Due 1995 for any or all of its
5% Guaranteed Convertible Subordinated Debentures Due 1988

17/ International, N.V., a Netherlands Antilles carparation ("Company") and a wholly owned subsidiary of The LTV Carparation ("LTV"), a Delaware corporation, is offering to exchange \$1,000 principal amount of 10°% Convertible Subordinated Bearar Notes due November 1, 1986 ("New Bearer Notes") or \$1,000 principal amount of 10°% Convertible Subordinated Bearar Notes due November 1, 1986 ("New Registered Notes") in exchange for sack \$1,000 principal amount \$% Guarantsed Convertible Subordinated Debentures due July 1, 1986 ("Old Debentures"). All accreed and unpaid interest from July 1, 1986 ("Old Debentures"). All accreed and unpaid interest from July 1, 1986 ("Old Debentures"), and accepted Old Debentures has been taken into account in the amount and terms of the New Notes.

The New Bearer Notes may not be offered or sold, directly or indirectly in the United States of America, its territories or possessions (the "United States") or to a United States Person, as part of the distribution of the New Bearer Notes. The New Registered Notes may be offered or sold to United States Persons or non-United States Persons. The New Bearer Notes and New Registered Notes (collectively celled the "New Notes") will be guaranteed by LTV on a subordinated springing basis. The guarantee on the New Notes issued initially as subordinated of the Coule of the

the New Notes issued initially as subordinated could become senior under certain circumstances.

The New Notes are convertible into shares of LTV Common Stock, \$0.50 per value, initially at a conversion price of \$10.75 per share, subject to adjustment in cartain sents. Interest on the New Notes begins to accrue July 15, 1985, is paid semiannually beginning November 1, 1985, and may be paid, at the option of the Company, in cash, in shares of LTV Common Stock or in any combination of cash and shares of LTV Common Stock. Any shares of LTV Common Stock issued in payment of interest will be valued at believes 93 and 75 per cent of the average Sale Price of JTV Common. Stock over a ten-day period.

As of the close of business on October 9, 1985, approximately \$20.5 million principal amount of Old Debentures of 45.8% of the issue had been tendered pursuant to the exchange offer.

The Offer will expire 5.00 p.m., New York City Time, on October 21, 1985, unless extended by the Company.

Old Debentures tandered pursuant to the Offer, unless previously accepted for exchange, may be withdrawn before 5.00 p.m., New York City Time, on October 2, 1985, or in the event of another tender offer for the Old Debentures at any time until the expiration of seven business days from the date such other tender offer is first published unless previously accepted for exchange.

The terms and conditions of the Offer are sat forth in the Prospectus casted Secrember 16, 1985, as herrogrom, supplemental, Benuetic for caster

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purchase & lease agreement

AIRBUS A-310

BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET

financed by:

EUROPEAN INVESTMENT BANK (ELB.)

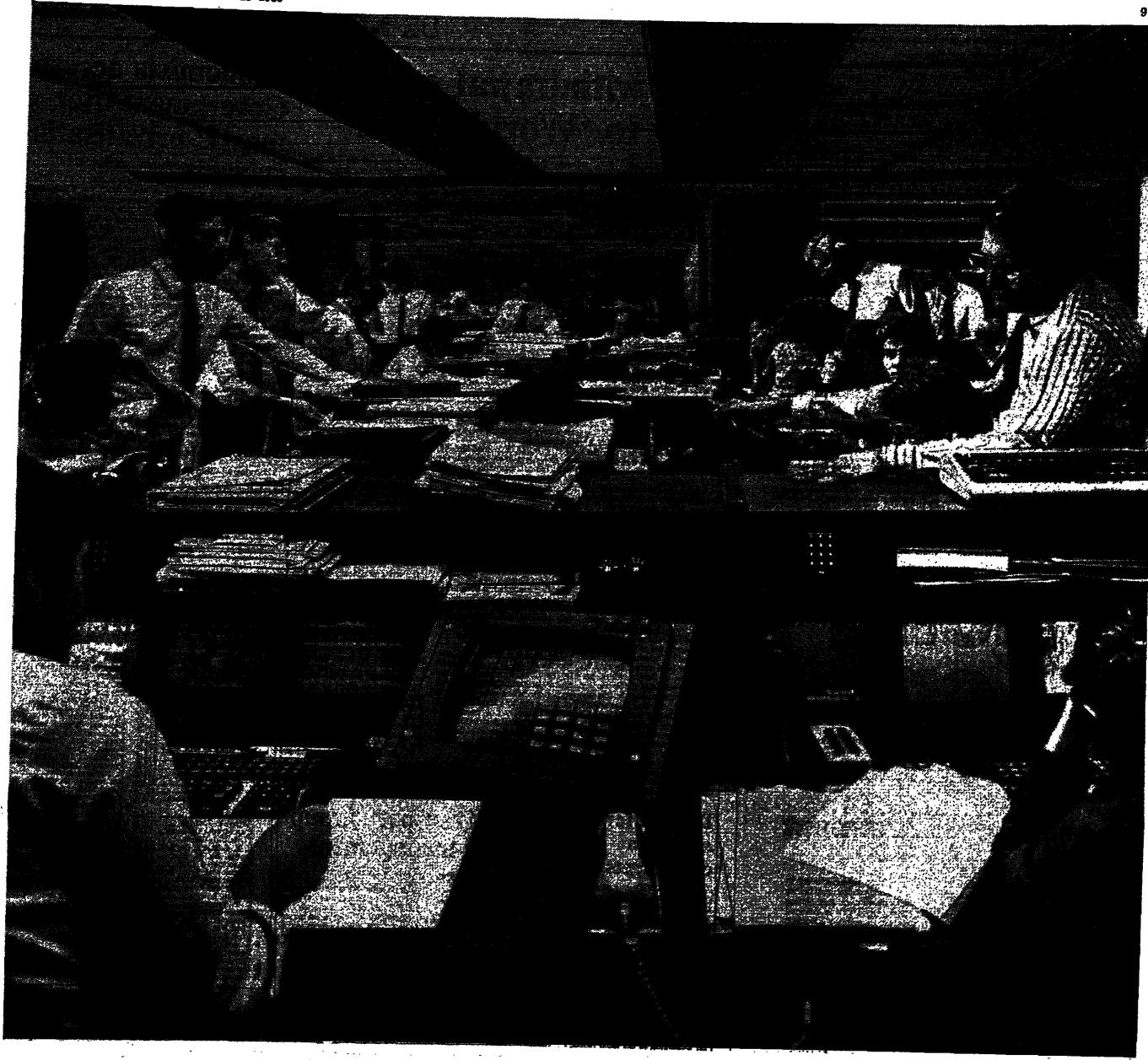
- BANQUE ARABÉ ET INTERNATIONALE D'INVESTISSEMENT (B.A.L.) BANQUE INDUSTRIELLE ET MOBILIERE PRIVEE (B.I.M.P.) - BANQUE INTERNATIONALE DE GESTION ET DE TRESORERIE (B.I.G.T.) - BANQUE LOUIS DREYFUS

SE FEDERALE DU CREDIT MUTUEL DE MAINE-ANJOU et BASSE-NORMANDIE CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINÉ

A COMPAGNIE FINANCIÈRE (GROUPE EDMOND DE ROTSCHILD)

TORGAN & CIE SA. SOCIETE LYONNAISE DE BANQUE

September 1985 This announcement appears as a matter of record only



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CHASE

Ramada Capital Corporation N.V.

61/4 % Convertible Guaranteed (Subordinated) Debentures due November 15, 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of November 15, 1971 under which the above-described Debentures were issued Morgan Guaranty Trust Company of New York, as Trustee, has selected \$824,000 principal amount of Debentures for redemption on November 15, 1985, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date, as follows:

Outstanding Debentures of \$1,000 Each of Prefix "M" Bearing Numbers Ending in any of the Following Two Digits: 29 36 41 51 63 79 33 39 45 53 69 85

Also Outstanding Debentures of \$1,000 Each of Prefix "M"
Bearing the Following Numbers: 1 9 365 2465 3065 5255 5465 5865 5965 6865 7865 8365 9665 9755

The right to convert Debeutures selected for redemption into Ramada Inns, Inc. Common Stock will terminate at the close of husiness on November 15, 1985. The conversion price of Debeutures is \$15.57 principal amount of Debeutures for each share of Common Stock issuable

Debentures is \$15.57 principal amount of Debentures for each share of Common Stock issuable upon the conversion.

On November 15, 1985, the Debentures designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Receive and Deliver Department of Citibank, N.A. (formerly First National City Bank), 111 Wall Street, New York, New York 16043 or (b) at the main offices of Citibank, N.A. in Amsterdam, Milan, Brussels, Frankfurt/Main, Paris or London, or the main office of Citibank (Luxembourg) S.A. in Luxembourg, Payments at the offices referred to in (b) above will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-3 certifying under penalties of perjury the algorithm of an account mainer of an executed IRS Form W-9 certifying under penalties of perjury the payees at Expayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment. Coupons due November 15, 1985, should be detached and collected in the usual manner.

On and after November 1

manner.

On and after November 15, 1985, interest shall cease to accrue on the Debentures selected for redemption. Following the aforesaid redemption, \$1,132,000 principal amount of the Debentures will remain outstanding.

Dated: October 15, 1985

RAMADA CAPITAL CORPORATION N.V.

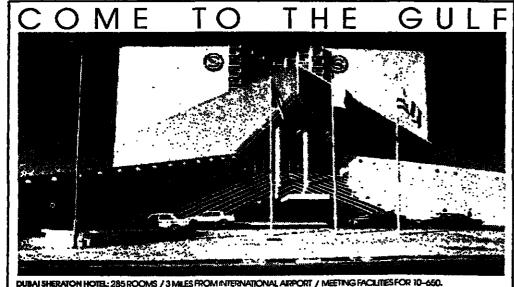
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U.S. withdrawal another | Economists accuse blow to 'World Court'

brought to the court voluntarily by be implied directly in the statute of both parties, is a blow to the development of an international legal

It also confirms the waning respect for, and authority of, the court by the great powers, and reflects the lessening in the applications from all members of the United Nations to the court over the last 10

It is doubly regrettable because

withdrawal comes in the wake of an

adverse ruling in the case brought by Nicaragua in April 1984 over the alleged military and paramilitary activities in and against Nicaragua. Last October the court heard representatives of Nicaragua and of the U.S. in public sittings, and a month later it delivered a judgment in which it found that it had jurisdiction to entertain the case and that Nicaragua's application was

In January of this year the U.S. wrote to the court saying that the court was wrong and that the U.S. did not intend to participate further

its oral proceedings on the merits of plicant state, by its declaration, the case, in the absence of the U.S. would likewise s representatives. The blanket with-drawal of the U.S. is blamed direct-Frequently, sta ly on the court's ruling in favour of putes where there were other methjurisdiction to hear the Nicaraguan ods of resolving them. Commoncomplaint, because the "objectives wealth countries excluded disputes of the court were being subverted between themselves because they by the efforts of Nicaragua and its could be resolved within the institu-Cuban and Soviet sponsors to use tions of the Commonwealth.

national law field, but it is the first domestic jurisdiction. From time to fime that a major power has react- time, however, states have taken it ed directly against an adverse find- upon themselves to say whether the

instrument of international justice pared the statute of the Permanent that declarations of acceptance with Court of International Justice (the such reservations were "incapable forerunner of the International of giving rise to a legal obligation. Court of Justice) had proposed a system of true compulsory jurisdiction based upon the unilateral application to the court by the complaining state.

This idea however converged the true to the International Court.

the end a proposal was adopted tional clause."

Date set for

cash targets

A SUBSTANTIVE ruling on the le-

strategy of setting financial targets and imposing penalties on local au-thorities might be given in about

three weeks time, Raymond

The House of Lords appeals committee yesterday fixed October 28 for the hearing of the Environment

Secretary's appeal against the Court of Appeal's judgment on Oc-

tober 3 that the system for fixing council spending penalty limits is

illegal.
The hearing is expected to last

about a week and, given the univer-sal acceptance of the great impor-tance of the matter, the Lords might decide to announce their de-

cision at the end of the hearing, giv-

Normally they take about six weeks from the hearing of an appeal to hand down their written judgments.

Local authorities throughout

England and Wales - among them Liverpool City Council - are poised to take advantage of the Appeal Court's ruling if it is upheld by the

Law Lords.

The Appeal Court allowed appeals by Bradford City Council and Nottinghamshire County Council against the High Court's refusal in March to quash the Government's grant calculation method.

I MR JAMES CALLAGHAN, the former Labour Prime Minister, has decided not to seek re-election to

the House of Commons at the next general election. He is expected to announce his decision on Friday, at

a press conference being arranged in Cardiff, the constituency he has represented in parliament since

Mr Callaghan in his 40-year political career has held all major of-

fices of state. He is now aged 73 and

has already earned the accolade of

"Father of the House," accorded to

□ MERCEDES-BENZ (UK) expects next year to sell 5,850 of its new mid-range 200-300 series sa-

loons, which make their UK debut

at this week's Motorfair exhibition

The models, with list prices in-

cluding taxes of between £12 500 and £17,840, are expected to lift

Mercedes' total UK sales next year

to 19,500, compared with the 18,000

□ A BAN on the sale of Kruger-

rands in Britain has been de-

manded by the End Loans to South

Africa Organisation, which opposes apartheid. It says in a pamphlet that the UK is poised to become the

West's largest market for the gold coins now that the U.S. and Japan

have curtailed imports.

forecast for the present year.

the longest-serving MP.

at Earls Court, London.

ing their reasons later.

appeal on

Hughes writes.

THE ANNOUNCEMENT from whereby the compulsory jurisdic. If that is true of the self-deter Washington last week that the U.S. tion arose only by means of a mining reservation, how much would no longer accept the jurisdic unilateral declaration of a state in more so is it true of the almost total tion of the International Court of dicating its acceptance of the juris-Justice, except in those cases diction of the court, and was not to diction of the court, and was not to

> When the architects of the United Nations considered the court's role, it affirmed the compromise solution under the League of Nations, known as the optional clause.

> There were some drafting changes, but the article of the court's statute remained intact. When accepting the compulsory jurisdiction of the court, states

withdrawal by the U.S. from the court's jurisdiction?

ry it has failed to attract the status

groups has changed to some extent, but generally the two antagonistic

The International Court of Justice has failed to attract the status of an ordinary court

ervations to their acceptance of laration is the latest. compulsory jurisdiction, mostly unobjectionable.

On September 12 the court began to the court's jurisdiction if an apwould likewise submit if brought

Frequently, states excluded dis-

the court as a political weapon." Another example has been in re-This is not a new cry in the inter-lation to disputes within the state's ing in so radical a manner.

dispute is or is not within their domestic jurisdiction.

The late Judge Lauterpacht, who has never been strong. In 1920 the was the British judge on the court Committee of Jurists which pre- in the 1950s, expressed the view

This idea, however, encountered strong opposition, particularly from the great powers of that epoch. In legal and moral authority of the op-

tended, nevertheless, to append res- been clearly marked. The U.S. dec-

objectionable. in its declining authority. In the For example, the condition of case brought in the 1950s by Ethiopreciprocity was often inserted, al- ia and Liberia against South Africa though in law it was unnecessary to to enforce the mandate conferred say that a state would only submit after the First World War by the League of Nations in respect of South-West Africa (Namibia), the court accepted that it had jurisdiction to hear the question of the legal enforcement by the UN of the

> Under the presidency of an Austhe casting vote of the president re-versed its decision to accept jurisproponents of the court. Since then

> The long-term effect of the U.S. interests will be that cases involv-

> The International Court of Jus-tice never was properly the "World Court." It is even less so today.

Throughout two thirds of a centu-

of an ordinary court, to which all the constituent parties adhere. Those who have favoured the compulsory jurisdiction of the court have been chiefly the small powers, and its chief opponents the great

powers.

The composition of the two

The court has not been blameless

mandatory powers. When the case came before the court a few years later to determine the merits, the court did a volte face.

tralian, Judge Spender, the court by diction. Not only did that ruling set back the solution to the problem of Namibia (which is still unresolved) it also disheartened the smaller states which had been the loudest no issue of major political impor-tance has come before the court.

disavowal of the court in matters that touch the U.S. Government's ing international legal, commercial or border problems alone will be the staple diet of the court.

Ocean Transport group reshapes management

BY ANDREW FISHER, SHIPPING CORRESPONDENT

the executive chairman, who is due to retire at the end of 1986.

OCEAN TRANSPORT and Trading Mr Menzies-Wilson said the shipping and industrial service day that he had been keen to sepagroup in which Peninsular and Or- rate the roles of chairman and chief iental Steam Navigation (P & O) executive for some time. On his rehas built up a 13 per cent stake, has tirement, the new chairman would embarked on a reshaping of its top be a non-executive, possible him-management.

Mr Nicholas Barber, the Ocean with the P & O stake, he added. director responsible for marine services, is to take on the new post of group managing director from the tent of next start of next year, initially working some stock market analysts believe with Mr William Menzies-Wilson, one will come. Ocean raised pre-tax profits to £29m in 1984 from £7,2m ending a three-year slide.

Government over 'hasty' privatisation

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

saleguards, say two Oxford econo- tiveness to the market.

Telecom was sold off last year. Mr John Vickers of Nuffield Col-

from competition to obtain larger revenues from the sale of BT

It could be argued that the Gov-ernment priced the shares too low and so failed to maximise the proceeds by a margin of several hun-

dred million pounds, they say.
"Be that as it may, the Govern-ment's evident desire to privatise BT speedily was very favourable to BT's management. The timetable set by the Government did not leave adequate time to liberalise

the industry, let alone restructure large industries its priority, when it Treasury.

exploiting the public.

THE GOVERNMENT'S strategy for On that, they point to British Airprivatising large monopolies has ways, which was widely thought to been over-hasty and has paid too have been favoured in route negolittle attention to the need for public tiations so as to improve its attrac-

Generally the benefits of liberal-In a booklet published today by ising markets and encouraging the newly formed independent Pub- competition with the larger monop lic Policy Centre, they are particularly critical of the way British gains to be expected from a change of ownershin.

"Contrary to government policy lege and Mr George Yarrow of Hert- in telecommunications, the priford College say the Government mary goal should have been lib-can be accused of protecting BT eralisation rather than privatisamary goal should have been libtion. Policy should now open up as many channels of competition to BT as practicable."

They say that Oftel, set up to regulate BT, has not proved effective. Similar considerations, they believe, apply to any proposals to privatise the electricity industry.

They criticise the way the Government has used its power over the industry to extract revenue, but do not believe that privatisation is necessarily the best answer.

Since the start of the decade the TT. electricity industry has turned from The authors believe the Governbeing a net borrower to the position ment has made privatisation of of repaying £1bn a year to the

should have been paying more attention to ways to increase competition and to prevent the monopolies

Privatisation and the Natural Monopolies, Public Policy Centre, 37, Golden Sq. London WiR, 4AL.

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Dfls 200,000,000 71/4% Dutch Guilder Bonds 1985 due 1991/1995

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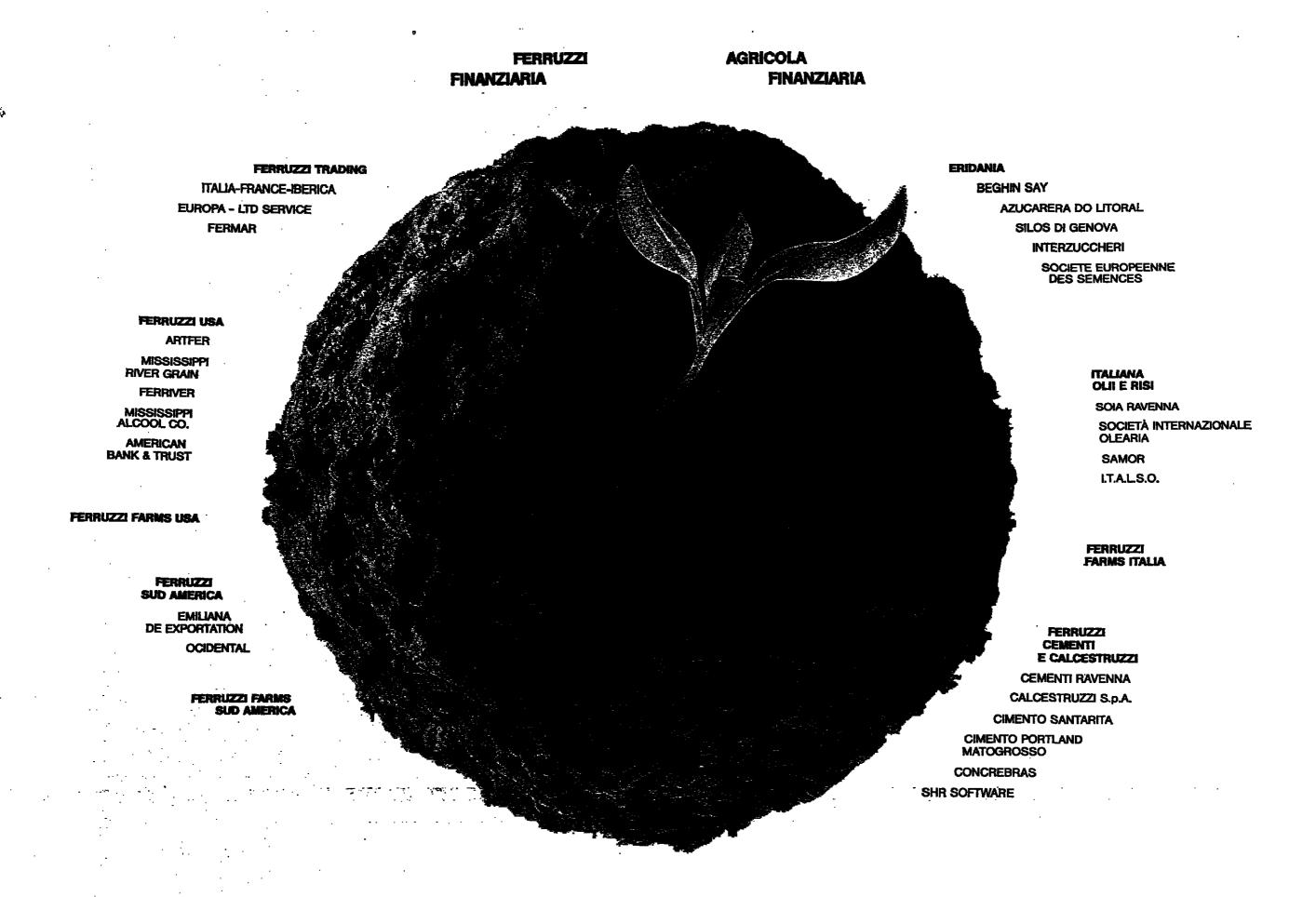
Bank Mees & Hope NV Hollandsche Bank-Unie N.V. Pierson, Heldring & Pierson N.V. Banque Paribas Nederland N.V. Nederlandsche Middenstandsbank nv

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October, 1985

العند لأصل

RATES



Gruppo Ferruzzi: planet earth

Agriculture as business, land as industry

Ferruzzi Group. Europe's leading agro-industrial group of companies. A major industrial and financial force. Solid yet diversified, the group's activities range from sugar production (where it is a world leader) to grain, soya, farm products, concrete and cement. It farms almost every known crop, as diverse as coffee, oranges and latex, across 2,500 million acres in every climatic and agricultural environment throughout the world.

Born of the land, the planet Ferruzzi has grown and developed on the land; ever since its beginnings in Ravenna, Italy, forty years ago, when the Ferruzzis were still a family of farmers.

At that point, farming methods which had not changed for centuries suddenly began to develop. Agriculture began to learn from industry. The Ferruzzis, with their keen understanding of the land's potential, were quick to move with the times.

Sensing the need for change, they became first businessmen, and then industrialists. They applied the latest techniques to agriculture. They exploited biology and genetics to turn food farming into a modern business. They turned the group into a leading producer of such raw materials as cereals, soya, yeast, corn and sugar throughout Italy, Europe and the world. The planet Ferruzzi has gone on to generate new businesses in manufacturing and banking. Annual turnover has risen to 10,000 billion Lire. Over the past three years the group's investment has touched the 1,000 billion Lire mark. Four companies in the group have been quoted on the Italian Stock Exchange for many years: Agricola Finanziaria, Silos di Genova, Eridania and Beghin Say. Agricola Finanziaria, the group's holding company, is entrusted with responsibility for seizing new investment opportunities. The group stays on the move.

With the foundation of American-based Missalco to produce ethanol as a fuel, the group has embarked on the new, challenging adventure of producing a clean, alternative source of energy from the earth.

Thus the planet Ferruzzi gives birth to new satellites, while at the same time remaining unswervingly, doggedly faithful to its place of birth and capital city, Ravenna.

Just what you would expect from a good farming family.

HOW DOES a Sicilian kitchen fitter who left school at the age of ten manage to achieve a multi-million dollar joint venture with China?

The answer-in the case of Onofrio Juculano, whose kitchen furniture company is to set up a factory in the province of Guang Xi in south eastern

China — is through enterprise, determination and vision.

More than anything else, however, the 35-year-old Juculano has succeeded in establishing Siglar's first year. establishing Sicily's first-ever trade ties with China by being prepared to pay for an air ticket to China and by "under-standing how it is that the Chinese want to perceive you and then providing them with that perception."

The Sicilian-Chinese joint venture, which has been hailed by officials of Italy's foreign trade ministry as an historic precedent, calls for a 50-50 in-vestment of an initial \$2m of capital, the shipment of machine tools to Nanning, the capital of Guang Xi province. and the employment of 200 Chinese factory workers and ten technicians from Italy. The 15-year agreement, signed this summer in Palermo, calls for Nauning for the manufacture of tables, doors, windows, kitchen furniture and accessories and other products for use in schools, hospitals and homes.

The Chinese and Sicilians hope to break even after two years and eventually to export around 30 per cent of output from China to other markets in the far east and possibly even to the U.S. Initial production is to be set at 60,000 pieces a year. So who is Juculano and how did he strike a deal with the

Driving south of Palermo one comes to Misilmeri, a dusty I realised that I could actually town which, like others in this part of Sicily, offers the ruins of a Norman castle, a number of half-finished and abandoned —a few hundred pounds in all houses and vineyards running—to purchase secondhand up and down the hilly terrain. machinery from friends near At the edge of Misilmeri the Milan, travelling between Juculano factory was built only five years ago—a bright blue ferry and train, a 22-hour jour-corrugated metal shed with ney. By 1980 Juculano had 15 4,000 square metres of floor space. There are half a dozen small assembly lines and fewer than 50 workers at any given time. Stacks of semi-finished compressed wood panels line the shed, while on the floor above Juculano has built a modest office and a rather splashy showroom which contains five model kitchens in wood and marble, metal and contains five model with the shed, while on the floor and built the factory which at present houses a business which this year will have L10bn (\$5.5m) of sales.

- **(**4:



Onofrio Juculano: big breaks from trade fairs

Sino-Sicilian tie-up

Alan Friedman on an enterprising kitchen manufacturer

parts of the town. "Everything was ruined, so I went north to Milan, where I worked in an artisan's workshop and went to night school to learn cabinet making," he recalls.

In 1974, at the age of 25, he returned to Sicily and set up his own workshop, working on wood sculpture and occasionally kitchen fitting. Juculano's kitchen work became known by word of mouth and "before long I realised that I could actually

workers in a 600 sq metre fac-tory and a friend who became his first financial backer, investing several thousand pounds in more machinery. In 1982, us-kitchen maker to ship a couple ing family connections in of container loads to a show-

ten and until 15 worked as a his company on a series of distributed on a small scale, hotel busboy in Palermo. He back-of-envelope calculations. Finance will come from his then became an apprentice "I travelled around to research L900m (\$500,000) credit line at

carpenter in Misilmeri and what the market could be in the Banco di Sicilia and from worked for three years, until Sicily and then I calculated U.S. partners.

1968, when an earthquake razed the kind of volume I could obtain the Banco di Sicilia and from U.S. partners. tain with my factory."

got off the ground, a Chinese delegation had visited the

Palermo trade fair in 1983—the Fiera del Mediterraneo. The

Chinese from the Guang XI
province, visited a dozen local
companies involved in pasta,
candle and wax, pulp and paper
and of course, kitchen furni-

Juculano was invited to visit China, and with the help of Italy's foreign trade institute (a

trade promotion agency of the foreign trade ministry) and the Banco di Sicilia, he bought his ticket and last February he went

off to Naming, capital of Guang

the transaction admit that the

Chinese bargaining technique is

to secure know-how, materials and investment from abroad, promising much but often with

the intention of taking over control as soon as possible.

Upon his return Juculano

contacted his bank and the

contacted his bank and the foreign trade institute. He asked his friend and financial consultant to the company—Antoniono Grasso—to negotiate the formal joint venture agreement with the Chinese, who came to Palermo at the end of May

end of May.

Along with six other Sicilian Along with six other stemant companies, Juculano toured Nanning for a week. He found the Chinese eager to strike a deal. He and others involved in

In 1983, when his kitchens were catching on in western Sicily and the little company achieved L 3bn of sales, he was still reluctant to borrow from his bank, the state-controlled Banco di Sicilia. Instead he produced a colourful catalogue ture. of kitchens, bought home appliances and offered complete kitchens for an average L 5m (\$2,800).

The big breaks came in 1983 fore and 1984, both at trade fairs. In February 1984 Juculano set up a stand at the Milan kitchen furniture fair and his products were selected as being among the top ten for originality and compality Orders came in for the Milan kitchen off to the company of the selected as being among the top ten for originality and company of the com quality. Orders came in-for the first time—from other parts of Italy and even from New York buyers, "We finally had contacts with the outside world," he

The U.S. interest led the tiny

room in Brooklyn and to follow up with a visit to the U.S. in August of last year. The result is that next month Juculano tains five model kitchens in (\$5.5m) of sales.

will go to Tenefly, New Jersey, wood and marble, metal and glass.

Juculano, a shy and nervous reading and arithmetic skills)

man, left some funding strength of the more up-market kitchen furniture is to be produced and furniture is to be produced and furniture is to be produced and draft agreement, containing 10,000 Chinese characters written on rice paper. There was no translation, either into English or Italian.

The result is a 16-page agreement, plus a 23-page appendix specifying everything from investment and personnel to accounting methods and arbitration in the case of a

the Chinese.

Grasso says there were "linguistic, legal and financial problems, all at the same time." Why did the talks take 15 days? Apart from the language difficulties, one day was lost haggling over healtinsurance provisions for Italian personnel in China, two dayswere devoted to the issue of repatriating earnings to Italy and a full three days were spent agreeing that arbitration would be handled by the Stockholm Chamber of Commerce (the Chinese initially proposed that the government in Beijing

Juculano reckons the venture

viated form, is how a Sicilian kitchen fitter who left school at the age of ten managed to snare a multi-million-dollar joint venture in China. Perhaps it could be done from Birming-"For 15 days, from 8.30 in ham as well....

the morning until well past midnight. I was closeted in a hotel room in Palermo with the Chinese," says Grasso. The

A Chinese exchange student at the University of Palermo—Jan Hua Fu—acted as interpreter at the marathon sessions where, incredibly, each article of the contract was negotiated just as soon as Fu had translated it. "We did not even read the agreement in full before negotiating," explains Grasso,

disagreement. Officials from the Banco di Sicilia looked in from time to time, but for the most part it was Grasso and the Chinese.

that the government in Beijing handle disputes).

The end result is the \$2m joint venture (initial capital may be increased to \$3m) which calls for Juculano to supply \$1m of the capital in the form of machine tools. How will be finance that? The Italian machine tool suppliers have agreed to give him up to 24 agreed to give him up to 24 months' credit.

"So far we have not received "So far we have not received any Italian Government subsidies or aid," he says. The Banco di Sicilia is, however, going to provide him with financing at a subsidised rate of interest—10 per cent, which compares favourably with Italy's present 16 per cent prime rate.

should reach break-even in two years' time. And he rubs his hands in glee about the prospect of exporting from China. He is clearly proud of his coup, as is the Palermo business community.

And that, in rather abbreis most difficult to manage, the entrepreneur is likely to be least experienced. Thus, apart

Start-ups: still a dearth of appropriate finance

introduction of the Government's Business Expansion
Scheme, the difficulty in finding equity investment for new start-ups is still very consider-

More and more of these funds are trying to place their money in management buy-outs or companies which are expanding; they are making it clear that they do not wish to take on the risks inherent in new start-ups. The reason for this is the unhappy experiences they have had, and the result has unfortunately been bad publi-city for investment in new businesses.

The Community of St Helens Trust, a long-established Local Enterprise Agency, which has assisted many new business start-ups, has learned from experience the benefits of a strong equity base for such

So to mitigate the problem of finding start-up equity, the Trust in 1984 and again in 1985 sponsored local BES Funds.

A feature of the Trust's approach has been a belief that very young businesses require investment appraisal and subsequent monitoring procedures quite different from those that are suitable for a management buy-out or expansion of an established business.

To use an analogy, quite different techniques are needed to rear a pullet starting with an egg from those used when starting with a chick. The person starting with an egg is likely to get a higher return on his investment. So if new starts are to be fruitful investments, -special measures have to be taken. There are all too few funds specialising in this field.

The early months are dangerous times for a new business. In the first year variation from the sales forecast may be great, perhaps as much as 50 per cent either way. It is probably only in the third year, when the business has an established place in the market, that market, from the property of the cast of of t that variations from forecast come within a more easily manageable bracket Also, in the first year when the business

15th October, 1985

It often happens that an entrepreneur planning 2 new start-up has both a good idea and 2 deep knowledge of the business he is entering, but a poor plan which does not give the necessary confidence to a would-be investor. More time, more research and the introduction of a more balanced more research and the intro-duction of a more balanced management team can often result in the plan revealing a real business opportunity. The cost of preparing this plan may be daunting to the entrepreneur. It may require 100 or so hours of professional help which he can ill afford. Most of the longer established enterprise agencies are able to provide this help.

Confidence

A fund specialising in new start-ups should do more than just read a plan and make a quick judgment. When a potential business opportunity is revealed, the fund should have staff able to sit down with the entrepreneur and if necessary decide where more research into the project is needed, and eventually help to rewrite the plan so that it is flexible and robust and minimises the risk of business failure.

failure. Ensuring sufficient finance A potential investor in a A potential investor in a management buy-out has the advantage of a great deal of historical data with which to appraise a project. The financial resources required by the company can therefore be assessed with some confidence.

It is crucial that enough finance is made available in order to ensure that the business is not prevented from becoming viable because, pre-dictably, there are deviations from the forecasts in the plan.

optimistic-perhaps they would not be entrepreneurs otherwise -and allowance must be made for over-optimism. It is possible to deal with this problem by ensuring the plan is fully

DESPITE THE recent rapid from help in planning the busi-growth of venture and develop-ment capital funds and the sufficient finance, a new start-up flexed on to the computer and sufficient finance, a new start-up flexed on to the computer and sufficient finance, a new start-up flexed on to the computer and sufficient finance, a new start-up flexed on to the computer and start-up flexed on profit and cashflow readily assessed. Judgment of the financial resources required can then be made so as to reduce either the risk of failure or the need to search for extra finance at a later

It is always difficult to obtain second stage finance. Bank managers are not oversympathetic with those whose performance is below forecast and who are short of cash, even if the order book has by then become healthy and success appears to be just round the corner.

Control and monitoring Most venture and development capital funds monitor their investments through monthly accounts and reports. monthly accounts and reports. A non-executive director may be appointed who spends half a day a month with the company. This procedure is no doubt satisfactory when dealing with a well-established business.

For a young business in its early difficult days, it may be early difficult days, it may be more appropriate for the fund to require the appointment of its nominee as part-time chairman. This person, by working half a day a week at the company, can keep tight control on the business and assist the entrepreneur during the period when the latter needs to gain experience. It is helpful if the part-time chairman lives close enough to the business to be able to visit it at short notice.

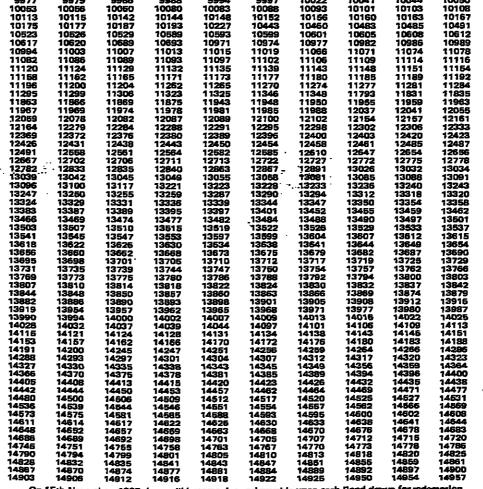
able to visit it at short notice. A well-respected senior businessman often finds a good deal of satisfaction from helping a new business. He may readily accept the position as part-time chairman and become a small investor as well. The identifica-tion of such people by a local fund is not too difficult. It may be harder for a London fund but local contacts can be estab-lished to make this easier.

Since the UK has one of the smallest small-business sectors of all the industrialised coun-Entrepreneurs are naturally tries, there is plenty of scope for wealth creation through new business start-ups. The skills required to be a successful investor in new business start-ups are surely worth

David Boult is director of the tested using financial modelling Community of St Helens Trust.

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On 15th November, 1985 there will become due and payable upon each Bond drawn for red principal amount thereof, together with accrued interest to said date at the office of:--

S. G. WARBURG & CO. LTD., 33 King William Street, London EC4R 9AS,

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Interest will case to accrue on the Boods called for redemption on and after 15th November, 1985 Bonds so presented for payment must have attached all coupons maturing after that date.

US\$1,500,000 nominal amount of Bonds will remain outstanding after 15th November, 1985. The following Bonds previously drawn for redemption on the dates stated below have not yet been

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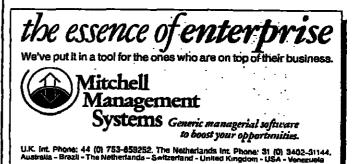
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German art in the twentieth century

The exhibition of German.

Art in the 20th Century occupying the primary galleries of the Royal Academy (until December 22; then on to the Staatsgalerie in Stuttgart in the spring), is ambitious in scope, full of fascinating and beautiful things, and certainly not to be missed by anyone interested in missed by anyone interested in the art of this century. The the art of this century. The achievement of the organisers in bringing together so much historically and aesthetically important work which is comparatively unfamiliar to us in this country is remarkable. And none of it would have been possible without a large team of sponsors: Lufthansa, Deutsche Bank, Mercedes-Benz, Beck's Bier. Bosch, Hoechst, Melitta and Siemens, A massive catalogue has been published by Prestel-Verlag in association with the Royal Academy (\$11.90).

(£14.90). the Academy hopes to build upon the success of this exercise a programme of exhi-bitions of national definition bitions of national definition that, in the words of its president, Roger de Grey, in looking back and trying "to make connections from the period at the beginning of our century to the present . . (will) make good our debt to the artists of this century . . "It is a brave and worthy plan, and one which this first show does nothing to inhibit.

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But good as it is, the German exhibition raises certain questions about itself and, by extension, any that might follow It glosses its scope as being painting and sculpture, 1905 to 1985, which is no small claim. Whatever the primacy among equals that France has arrogated to itself, the critical perspective which has opened up in recent years shows that it was from Germany that so much of the energy flowed upon which the vitality of the avant-garde depended. In the

The festival of exhibitions which the Council of Europe held in Berlin eight years ago unravelled these strands clearly,

unravelled these strands clearly, and drew them together again into a coherent if loose web of into a coherent into south rooms, to weither in the south rooms, to weither group of younger artists, come to prominence since the late 1970s, by claiming their place within that tradition. The exhibition thus falls clean in half; all to the left of the central artist practice. tral axis pre-war, and all to the right, post-war.

The early rooms are as full and clear a statement of the work of the artists of Die Bricke and Der Blaue Reiter, and their immediate associates, as we could wish for. The flerce, hot and uncomprobalsing simplicity and directness of Schmidt-Rottluff are among the most memorable sensations of the entire show; and a group of horses and other animals by: Franz Marc in the next room,

landscape so obvious and unproblematical. "The Winter
Landscape" is a delight.
So far, so wonderful; on we
go by way of Kokoschka,
Nolde, the apocalyptic Meidnet,
Modersohn-Becker, and Kirchner's extraordinary primitive
carvings of the early 1920s, all
together in the south rooms, to
Mar Beckmann Lovie Corinth

No harm in that as such: but what has been so ample a show becomes rather more partial and tendentious. Three decades and tendentious. In the decades are skimmed through in as many rooms, with only token representation given to major artists and issues.

George Grosz perforcement must stand for Dada virtually on his own, for Hannah Höch, Mangarana and Schwitzer and Schwitzer.

on his own, for Hannah Höch, Haussmann and Schwitters are meanly shown despite the importance of the Dada adaptation of collage to political inference. And Dix and Schad are the whole of the Neue Sachlichkeit, with Schlicter fucked away in a corner, and yet the movement had a wide



century. The most important fault is the failure to grasp the

"Seated nude girl with flowers" (1907) by Paula Modersohn-Becker Max Ernst surrealism. We would huge in scale, figurative against all accept that choices are hard in a survey show, but to represent the proscriptions of the sent the proscriptions of the 1930s by a list, and to offer so little of the actual work of that terrible time, is hardly adequate for a show that purports to be of the German art of this century. The most important that the new spirit of post couples the central rotundary to the state of the central rotundary. that this new spirit of post modernism is no more than

poetic, ambiguous, wistful and indulgent by turns; and an environmental exercise by him, much less assertive but one incked away in a corner, and nettle of Nazi art itself.

The last third of the space expressionism will large, and involving roll upon roll of felt, by cheap and sentimental reproduction, are surprising in the 1930s. Schlemmer and with appeared in the Academy's the likewise are the Bauhaus A New years ago, and the development Immendorff for example, high points of the disadding cases.

There too is a fine run of Kanin its painterly aspect, with years ago, and the development in manner and configuration.

There too is a fine run of Kanin its painterly aspect, with years ago, and the development in manner and configuration.

There too is a fine run of Kanin its painterly aspect, with years ago, and the development in manner and configuration.

There too is a fine run of Kanin its painterly aspect, with years ago, and the development in manner and configuration involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental treatment to fine at tiself.

The last third of the space expressionism with large, and involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental exercise by him, involving roll upon roll of felt, a grand piano and a thermomental e meter, has transformed the Anthony d'Offay Gallery in Dering Street into a work of art, if only until November 16.

Cheltenham Festival of Literature

B. A. Young

The Cheltenham Festival of literature saved up some gems for its last weekend. Paul Foot, who has a talent for mixing potent comedy with wisdom, gave a talk on Friday called Can We Trust Shelley? where he demonstrated how Shelley was not just a Romantie noet was not just a Romantic poet but a revolutionary orator using as his ammunition the "Ode to the West Wind." As he pointed out, this is not just a pretty piece of nature poetry but, first, a call to revolt, next, that and the poetry for the poetry for the poetry for the pretty for the prett Shelley's fear that with increasing age (he was 27) the call to revolt might abate, then, in the last stanza, his determination to stay in the battle.

Mr Foot also took part in a

concerted reading next morning, called Freedom, chaired by Norman Buchan, shadow Minister for the Arts. He read Cobbett's letter to Wilberforce about the Combination Act.
Then Michael Foot read
Byron's speech to the Lords
against the bill proscribing the
Luddite frame-breakers about whom we can hear in the Radio 4 Sunday series, Shirley. Nothing else reached their level except the unaccompanied singing of some popular ballads by Elaine Claxton. In general, this was irrelevant to the festival. Anyone averse to it could have gone to the town hall to hear schoolchildren reading their way through Wordsworth's "The Prelude."

For Wordsworth was the next subject, and Melvyn Brage next subject, and Melvyn Bragg reassured us that he was as much a revolutionary when he was young as Shelley. Shelley died at 29, before his impulse died, but Wordsworth lived to be 80 and lapsed into respecta-bility and Civil Service appoint-ments. Maurice Baring ments. Maurice Baying imagined, in a story called Alternative History, that Words-

to Yeats. Of course, the fact that he got married at that time may also have had some-thing to do with it; but Mr Heaney knows a lot more about Yeats than I do.

Mr Heaney read again the Mr Heaney read again the next afternoon, when he and Melvyn Bragg plugged the gap left by Lord David Cecil. aegrotat, His first group came from a smashing anthology edited by himself and the Poet Laureate, "The Rattle Bag" (Faber, £5.95 paper), then he gave us some of his own work. Grand, all of it, but to tell the truth it matters little what he reads: his voice, like a Bach reads; his voice, like a Bach cello suite with an Irish accent, will carry anything. Mr Bragg read D. H. Lawrence, verse and prose, but he does not carry the same armament.

The actors finished the day—though not the festival, for the Poet Laureate is to come on October 25. Simon Callow's Work without Hope was a performance of some of Coleridge's essays, cleverly done with a suggestion of the poet's own manner, as far as we can reconstruct it. He we can reconstruct it. He included: "Kubla Khan." "Christabel" (part 1), and "The Ancient Mariner." We shall be lucky ever to hear them so well read again.

And Alfred Burke, wearing a bushy grey beard, gave us the life of the Reverend Patrick Brontë in Haworth. Mrs Gaskell described Brontë in her biography of his daughter Charlotte as "a cassocked savage." worth would have died in the Jacobin wars in France, where-As Mr Burke and his two assisas Sir Percy Shelley would have been an eminent Conservative tants showed us, there was a lot in his life that was far from savage, was even amusing.

The Brontës of Haworth/Scarborough

Martin Hoyle

Ann Bronte died at Scar- some midweek performances of a pleasant middle-class borough, a few hundred yards can be viewed at one sitting, family. Period background is from where three literary sib- Nickleby-like leave the questings of a different stamp, the tion unanswered. from where three literary sib-lings of a different stamp, the Sitwells, would cut their teeth and quills half a century later; and even closer to the Stephen Joseph Theatre in the Round, currently trying to recovered currently trying to resurrect her and, though pious, conscientious and energetic, failing.

disappointed. Twenty years ago Mr Fry went down, verbiage blazing, with the leaky ship of poetic drama in the shape of the RSC's Curimontle (eclipsed by Becket, Anouilh's play about the same king). He returns from films and TV with the careful, prosaic style of educational broadcasting. He covers the salient facts about The Brontes of Haworth using words where their actual possible, without comment. wonder or even imagination..

The two-part enterprise has been adapted by Kerry Gardner from a TV series. A newlyadded prologue gives a deep-Fry flavour as the characters, led by Mrs Gaskell who narrates most of the subsequent story, fill in the background, Nicholas Nickleby-style. We are intro-duced to the Reverend Patrick Bronte with frequent recourse to the old device of people telling one another what they already know. When young you had it in mind to be a poet," the Rev is informed in case he has forgotten. "Where did the fire come from? In the blood was it?" someone enquires; lapsing into rhythms more Llareggyb than north Yorkshire. The plays, which at

We meet the Bronte children manifesting their fiery blood with whoops, loony noises and shrieks of "My nerves!" like any product of a trendy compre-hensive. Individual characters tious and energetic, failing.

Those who hoped the recent Ring Rosad the Moon in Regent's Park marked a revival for Christopher Fry will be disappointed.

The state of the Moon in the state of the sta instability from the very begin-

> :Thereafter desperately at any incidental characteristic that might add colour or depth to these flat text-book figures. Emily pluckily cauterises a dog-bite on her arm with a red-hot kitchen utensil. The Rev Patrick cannot sleep in a stuffy bedroom. Such details can flesh out historical personages; but here they are

all too sew.

Neither cast nor production is at fault. Adrian P. Smith's designs lend Alan Ayckbourn's direction a marvellons flexibility. Tables are upturned or laid-on their sides to become pews. windows, beds, kitchen ranges or the foyer staircase at Covent Garden. Mr Ayckbourn makes the most of such lively set-pieces as Branwell's lively set-pieces as Branwell's visit to a London tavern we'ch almost turns into a musical, cr Charlotte's evening at the opera when the Stephen Joseph's little stage bristles with crinolines (costumes: Edward Lipscombe) and

echoes to the buzz of the beau phenomenon would get no idea of its magic from this chronicle

When you consider

an attempt on the life of the young Victoria. Despite stints as governesses, the sisters give little hint of the dilemma facing independent-minded but badlyoff young women, trapped be-tween genteel penury or the

vassallage of marriage—though Charlotte's early feminist ges-ture of being given away at her wedding by a schoolmistress Above all, nowhere do we get the slightest suggestion we might be watching genius. One

or two books are mentioned, en passant, a few lines of poetry quoted, but they might refer to cookbooks or the adventures of a vet for all we know. To a script devoid of any romantic imagination, Jane Hollowood (Charlotte) and

Hollowood (Charlotte) and Lesley Meade (Ame) go through the schools-broadcast motions briskly. Tessa Bellall too few. Briggs, faintly gypsy-like, is a fine tough Emily, but must beware of the classiess twang that is neither genteel nor isolated Yorkshire, Geoffrey Banks plays down Papa's snob-hishnes and snes for the Light bishness and goes for the Irish charm with great success. A large company play an even larger number of parts: Heather Stoney, insidiously seductive as the mother of Branwell's pupil, Sue Burton, charming as Charlotte's confidente, Christina Barryk and Randal Heriey stand out. Caroline Webster's agreeable Mrs Gaskell—credible as the

But newcomers to the Bronte

Carmen/GTO/Glyndebourne

Ronald Crichton

Night's Dream, in thoroughly and smallness. Truly the acouprepared reproductions of the original stagings. I did not see the Peter Hall Carmen in the summer but was much impressed by the broadcast of the Prom performance. There was enough in Cordella Mounsey's direction "after" Hall to explain the enthusiasm with which the original was mich impressed by the original was impressed by the original was metalined to the promote the promot with which the original was greeted. This straightforward, ungimmicky, truthfully detailed production of a much-suffering masterpiece came at just the

right moment. The general effect on Thursday was none the less slightly anti-climactic. Stretches of action which need to be sharply executed—the entry of Escamillo, the duel, and above all the ambitious ending to act all the ambitious ending to act one with Carmen improbably escaping up a long ladder—were weakly done. Ever and anon the impression of baking stip casting torpor on a motley eathering of locals, orientals and English-looking children (something to do with the Peninsular War?) was shrouded with a thin but lethal film of Anglo-Saxon gentility. Angle-Saxon gentility.

Some of the trouble lay in

the orchestra pit. The Bourne-mouth Sinfonietta played neatly for the conductor James Judd. Ensemble with the stage, in the hair-trigger quinter for example, was safely up to Glyndebourne standards, yet one missed the snap and fingle which this, of all scores, needs. Steel became sponge, thong was softened to wet flannel. I seem to remember that in the sum-

Glyndebourne Touring Commer, when Mr Judd conducted condition are inclined to stray pany opens in the now usual La ceneratiola, the playing was below the note.

way with a week on home sometimes much too loud. On ground, showing this season's Thursday much of Cormen was went to the Micaela and February Thursday much of Cormen was went to the Micaela and February Thursday much of Cormen was went to the Micaela and touring repertory — Carmen, too quiet, with apparently some Idomeneo and A Midsummer confusion between intimacy Night's Dream, in thoroughly and smallness. Truly the acou-

> as the card scene showed, not yet securely attached), and good herself into hip-swinging antics which do not come naturally. Providence, I suspect, designed Miss Turner more for Erda or Waltraute than for Bizet's wild-cat. She played the last scene like an offended Norn magically transplanted to the streets of Seville. The dark costumes designed for the unquenchable sable Maria Ewing do not suit her successor, who tended to disappear when the parsimonious lighting descried her. Few young artists are totally successful in their first Garmen. There is time for this relent to ripen even if it leads in other

Tibère Raffali, who sang José, is a French tenor with a pleasing voice and suitable physique for the role. Like many Josés he did not bring the character fully to life till the last act. Mr Raffali was suffering from a cold, which was worrying in the central acts but rather suited the agonies of the last scene. He nevertheless kept the pitch even in those tricky passages where tevors in the pink of

The evening's vocal honours went to the Micaela and Escamillo. The rehabilitation of the former (aided, surprisingly (who sang Morales in the summer) suggested an English milord playing at toreadors. Later this courteous dignity paid off surprisingly well. The voice is of excellent quality. Good smugglers (Clive Birch Good smuggiers (Cive Birch, Peter Bronder) and gipsy-girls (Louise Winter and Anna Steiger). Miss Steiger is a natural. Even with greater, more Wagnerian gloom than the Hobbing cast on this Seville the lighting cast on this Seville one would not have lost her from view for a moment. The French dialogue was variably tackled. On the whole the best singers were the best speakers. There isn't much point in doing the longer version of the quarrel in act one if the girls can't spit their phrases out more clearly—a question of rapid articulation, I dare say. Gratitude to Mr Judd, on the other hand, for restoring the

New chairman for Bath Festival

longer version of the cigarette

Mr Tony Garrett will become chairman of the Bath Inter-national Festival after the 1986 Festival, in succession to Mr Robin Buchanan.

Paris Dance Festival

has fluctuated over the years, as its posters, recently displayed at the little exhibition largely and New York.

Martha Graham's company drew deservedly large audiences, after a nine-year absence. Three programmes were given at the Châtelet, the contents of which were divided between established repertory works and more recent ones. such as last year's Rite Of Spring (shown in Florence earlier this year). I caught the second programme, made up of three works presenting Graham at her most high-priestess-like and somewhat contradicting the claim in the notes to be "of our time," since the sub-ject-matter of Judith, Herodias and Night Journey is as far removed from everyday life as that of Swan Lake. The claim is nevertheless valid in its reference to technique.

All three works date from the 1940s, when Graham was making the principal roles for herself. No one can equal her passionate intensity, but Pergy Loman made a striking realist.

Lyman made a striking Judith and Christine Dakin a remarkable Jocasta—whose drama takes precedence over Oedipus's in Night Journey. The dancers' rigorous technique was at all times admirable.

Towards the end of the Graham season, at the same theatre, though outside the festival framework, a brief programme of virtuoso show-pieces was given by winners of the principal international

The standard of the Paris of the four performances, International Dance Festival Marie-Claude Pietragalla and Wilfrid Romoli, last year's Paris victors, gave a rather mechanical performance of Maurice Bejart's pseudo-Indian Bhogti III pos de deux. Further Bejartian acrobatics were provided by the French idol of the moment. Sylvie Guillem (Varna

I was grateful for the un-forced grand manner and virtuosity, allied with charm, of the opening Chinese pair, Qi Fen Wang and Cai Jun Wang (also 1984 Paris prizewinners). who danced a pas de deux from Perrot's Esmeralda with precision and style. Vladimir Derevianko's Varna award goes back to 1978, but I imagine his being resident in Italy makes him more easily available than other Russians. He is fundamentally a demi-coroctère dancer in search of a choreographer, but he executed Sophie Golovkina's uninspired Pas de deux classique with Korean Prix de Lausanne winner Ste Jin Kang in truly noble Bolshoi style. His Cabaret solo was also much applauded.
All 13 dancers possess excep-

tional technical qualities; however, to capture a "normal" audience, as against a competi-tion, one requires more than technical fireworks. Argentinian Julio Bocca (Moscow 1985 prizewinner) will enjoy an outstand-ing career if he succeeds in matching his virtuosity with stage presence. In Le Corsaire he leapt and turned powerfully, but as if embarrassed by the flamboyance of the arm movements and the opening crouch saw Bélart's delightful parody of Le Corsdire and send-up of dance competitions in general: the principal international Le Concours. He knew what dance competitions. At the last he was about.

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Arts Guide

Masic/Monday, Opera and Ballet/Tuasday, Theatre/Wednes-day, Exhibitions/Thursday, A selective guide to all the Arts ap-

Opera and Ballet

author of Cranford, less so as the hard-working industrial clergy wife of North and South—is another victim of the script's intractable blandness.

PARIS Berio's La Vera Storia conducted by Sylvain Cambreling, in a new pro-duction to produced with the Teatro Comunals of Florence and Chicago's Command of Forence and Canago's Lyric Opera, elternates at the Paris, Opera with liphigents and Taurus, co-produced with Rome's Testro dell' Opera conducted by Kenneth Montgomery with Shirley Verrett' Helene Garetti in the title role. (265 50 22).

VIENNA

Volksoper (5324/2657): Kalmen's Di Csardasfiirstin conducted by Ribl with Mottl, Gracaoll, Zeadon, Schreibunsyer, Wasserlof, Drahosch, Hellberg, Nemeth, Danscha, Randers, Otner-Aichfeld, Forstner (Fri). Millöcher's Der Bettelstudent conducted by Bibl with Motfl, Rudiferia, Kales, Juster, Pabet, Aichforn, Minich, Ofner-Aichfeld, Jenewein, Günther, Danscha, Ruzicka, Jeschek, Drahosch, Poppell, Wasserlof, Lachmann, Eder (Sat). Johanni Strauss' Gipsy Baron conducted by Artmiller with Irosch, Schwarzenberg, Szep, Sobota, Kindler, Frikos, Vogel, Krämmer, Serafin, Gerboth, Eder, Günther and The Mozart Boys Choir (Sun). Letxing's Der Wildschütz conducted by Richter with Rudi Eria, Poschner, Sobota, Juster, Czerwneka, Karuzykowski, Kat Böck, Gerhard, Lachmann and The Mozart Boys Choir (Mon). Lehar's Das Land des Lächelms conducted by Bibl with Irosch, Graczoll, Franz Wachter, Ehren Reand, Wasserlof, Krämmer, Kalnz, Günther (Tue). Smetans's Die verkaufte Braut (The Bartered Bride) conducter (Tue). Smetana's Die verkaufte Braut (The Bartered Bride) conduct-

ed by Parik with Saibel, Banfalvi, Sobota, Graczoll, Pabst, Kalzboec, Kainz, Vogel, Scheder, Kuchar, Ofmer-Aichfeld (Wed). Zemlinsky's Kleider Mactien Leute conducted by Gülke with Ottenthal, Sobota, Hans, Kindler, Burger, Houzvicka, Schreibmayer, Vogel, Ofner-Aichfeld, Katzboeck, Wasserlof, Mertens, Runicka, Baillie, Drahosch, Granzer, Schnenka, Jenewein, Bartussek, (Thur).

tussek, (Thur). WEST GERMANY

Frankfurt, Opera: Benjamin Latton sings the title role in Don Giovanni. Volkman Olbrich conducts Der Zi-geunerbaron, and Galina Savova is votation Others contains Sevova is Amelia in Ein Maskenball. Sevova is Amelia in Ein Maskenball. Sentipart, Staatstheater: Philip Glass' opera Echnaton, composed for Sattlegart and recently seen in London, is produced by Achim Frayer. Also Othello with Bernd Weikl and Gabriela Benackova, produced by Gian Carlo del Monaco, and Cav and Pag with Waltrand Meier, Carmen Mammoser and Michael Austin.

NETHERLANDS The National Ballet with Hans van Manen's Adagio Hammerklavier, John Wisman's Say it again – loud-er, and Rudi van Dantzig's For we know not what we do. (Mon) in-Scheveningen, Circus Theatre (558800), Tue in Arnhem, Schouwburg (with Van Manen's Three pieces replacing the Van Dantzig) Arnhem, Schouwburg. La Traviata from Opera Forum, directed by Ru-dolf Senser and conducted by Au-gust Haltmayer (Wed) (422741). lotterdam, Locor Theatre. The Scapi-no Bellet with works by Czarny,

Van Manen, Van Schayk and a new ballet by Kylian (Mon) (138326).

Milan: Teatro alla Scala: A Homage to Carla Fracci – a programme to cele-brate the 30th anniversary of the La Scala debut of Italy's prima ballerina (The) (50 91 26). Florence: Testro Comunale: opera sea

son opens here with Gounce's Faust produced by Inca Ronconi with scenery and construmes by Pler Lui-gi Pizzi and conducted by Reynald Giovanetti, The cast includes Alberto Cupido, Samuel Ramey, Jean Philippe Lafont and Aracelly Haengel and it is sung in the original version. (Sun, Thu) (2779236)

Assence: Piccolo Teatro del Communication of bellet by the naist a programme of ballet by the Maggio Musicale Fiorentino compa-ny. (Sat, Tues, Wed) (2779238)

LONDON

Royal Opera, Covent Garden: Il trova-ture, one of the less successful of Viscouti's London opera productions (and now more than 20 years old), returns as a vehicle for the first Leonora of Elizabeth Connell, one of the best British soprenos. José Carreras and Elena Obrazisova are familiar in their roles here; Wolf-gang Brandel as Luna is a newcomer; Giuseppe Patant conducts. Fur-ther performances of the new Zem-linsky double bill, and of the Elisir many double bill, and of the Elistr d'amore revival led by the culcama-ra of the veteran Rolando Panerai. New Sadler's Wells Opens, Sadler's Wells: the latest season of NSWO opens this week with a new produc-tion of the Merry Widow, produced

by the company's leading light Nigel Douglas, and with Eiddwenn Douglas, and with Eiddwenn Harrhy and Sarah Brightman in leading roles.

The Place, WCL: Post-modernist Mark Morris opens a season on Tuesday.

Oct 11-Oct 17

NEW YORK

ence Thester Workshop: The sesson continues its Border Crossings pro-gramme with Laurie Booth whose collaboration with composer Philip Jack provides the contribution from London, Yip Yip Mix and the Twen-tieth Century (Thur). 218 W., 19th St.

tieth Century (Thur). 219 W., 19th St. (9240077).

The Feld Ballet (Joyce): Choreographer Eliot Feld puts his company through a variety of paces, including the world premieres of Aurore 1 and Medium: Rere. Ends Nov 30, 8th Av at 19th St. (2420800).

Tango Argentino (Mark Hellinger): After a sold-out programme at City Center in June, this troupe of 30 of Argentina's top tango dancers. Argentina's top tango dancers, choreographed by Clatidio Segovia and Juan Carlos Copes, takes a five-week turn on Broadway. Ends Nov 10. (7577084).

CHICAGO

Lyric Opera (Civic Opera House): The 31st season begins with Otello star-ring Margaret Price, William Johns and Sharrill Milnes, conducted by Bruno Bartoletti and staged by An-tonello Madau Diaz. The season also has in proportion Medical Price Season also has in repertory Madame Butterfly with Anna Tomowa-Sintow in the title role conducted by Miguel Gomez Martinez, as well as Samson, Anna Bolena, La Travista, I Capuleti e I Montecchi, Die Meistersinger and La Rondine (3322244)

Saleroom/Antony Thorncroft

A royal cup of tea

Bonnie Prince Charlie against a tartan background, sold for £10,800 at Christie's yesterday in the English pottery and porcelain auction. Only one other example of such a teapot is recorded, which accounts for a price above the £7,000 top

It went to a private buyer, as did most of the top lots, in an auction which totalled £135,979, with 12 per cent bought in. Yellow ground Worcester was in demand, with an oval dish of around 1770 doubling its forecast at £5,400, and Delftware was another strong sector. Southwark armorial sait of about 1640 sold for £4,536; the two similar examples are in the V and A, and the British

Museum. A Chelsea apple tureen and cover, of around 1755, did well at £4,320 while the best lot among the Bow was the £3,672 paid for a pair of figures of a cock and a hen, made in the factory around 1758. As usual the good items did better than tively cheaply: the triptych sell-the run-of-the-mill lots, even if ing for £28,392 at Christie's last they were slightly damaged. A Dere

A very rare Staffordshire Chelsea fluted teapot and cover. Royalist teapot and cover, made with a repaired handle, beat its around 1750 with a portrait of forecast at £3,672.

Glendining sold a collection of coins from the Sussex mints, produced between the reigns of Aethelred II and King John. The total of £38,345 was slightly below expectation, but a coin of King Stephen, minted in Ryc, extremely rare, beat its estimate at £1.800, to Baldwin. The same dealer paid £1,250 for a William I coin from the Pevensey mint.

Three new acquisitions by the National Gallery go on display today. They are a triptych: "The Virgin and Child in Glory," attributed to the German artist known as the "Master of the St Bartholomew altarpiece," who was active around 1500: a portrait of a man by the 18th century French artist Jean-Baptiste Greuze; and a sketch of a "Vision of the Madonna" by the 18th century Spanish artist (and brother-inlaw of Goya), Francisco Bayeu: his work was not previously represented in the NG collection. All were purchased rela-tively cheaply: the triptych sell-

FINANCIAL TIMES

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Tuesday October 15 1985

Appointment missed

THE CANCELLATION of made last-minute changes which yesterday's controversial meet-ing between Sir Geoffrey Howe, the Foreign Secretary, and two members of the Palestine The Jordanians, who acted as Liberation Organisation's execu-go-betweens, could have mistive committee has come as understood the PLO's position only half a surprise. In the and signalled its agreement to Present climate of hostility in the Middle East, heated to boiling point by the successive murder of three Israelis by Palestinian terrorists in Cyprus, the retaliatory raid by the Israelis on the PLO head-quarters outside Tunis and the spectacular hijacking of the Italian ship Achille Lauro, talks on a Middle East peace settle-ment would have appeared badly timed to say the least. Given the circumstances, the official explanation for the cancellation of the meeting must be considered as telling only part of the story. When Mrs Thatcher, the Prime Minister, announced the visit of a joint by Palestinian extremist groups Jordanian/Palestinian delegation to London during her visit their lives were worth to go

to Jordan in September, she ahead with their visit to Louise to Jordan in September, she and accept publicly the existence of the state of Israel.

That the and her Those conditions were that shown considerable courage in Bishop Elia Khoury and Mr inviting the Palestinian deleMohammed Milhelm, both of gates to London in the face of them considered to be Pales
Toront In activities and her foreign Secretary, who had inviting the Palestinian delegates to London in the face of them considered to be Palestinian moderates, personally Israel and the British Jewish supported a peaceful settlement community, the breakdown of of the Arab/Israeli dispute on the basis of the relevant United a disappointment and relief. Nations resolutions. Equally was understandably loth to see the British Government assoimportant were their opposition to terrorism and violence and ciating with members of an organisation responsible for what Sir Geoffrey Howe has described as "the unambiguous assurances" that the two Palestinian delegates would abhorrent terrorist attacks in the weeks and days before the scheduled meeting Disappoint-ment, because her initiative make clear publicly their position during their stay in ment, because her initiative could have marked the beginning of a breakthrough in the Middle East peace process, if it had gone well. As it is, it will not be easy to set up another meeting of the same kind, particularly if the PLO

Declaration

The text of the public declara-tion that Bishop Koury and Mr Milhelm were going to make after seeing the Foreign Secretary was meticulously drafted in negotiations between British and Jordanian officials, who were also acting on behalf of the PLO. As late as the middle of last week, if British officials danians informed the British advantage is to be gained by Government that the wording a continuation of terrorism.

The events of the last week acceptable to both themselves have certainly brought home to nd the PLO delegates. the western democracies the There are several possible need to step up international and the PLO delegates.

reasons why the whole carefully action against terrorism. But constructed scenario has failed they have also underlined the to materialise and why, at the urgency for the U.S. and, last moment, the Palestinian possibly the Soviet Union, to members of the joint delegation play an imaginative and refused to accept the agreed dynamic role in pushing the text.

The British side could have table,

understood the PLO's position

London when it still had reservations. The most likely explanation, however, is that the Palestinian delegates simply changed their minds about making such a significant

declaration in public at a time when the PLO is reported to be reviewing its whole strategy.

Their willingness to talk peace in the aftermath of the stunning Israeli air attack on

the PLO headquarters in Tunis and the capture of the Italian

cruise ship's Palestinian hijackers must have been seriously eroded. Even before the latest events, Bishop Koury

and Mr Milhelm were threatened with assassination

For Mrs Thatcher and her

the meeting must come as both

Relief, because Mrs Thatcher

now decides to adopt an even more intransigent and violent

In the end, however, all sides in the Middle East conflict will

be forced to accept what is

already obvious to most people

and

Another entry for the high-tech race

Daimler-Benz/AEG link

By Kenneth Gooding Motor Industry Correspondent

Suppose to be and technologies which might driven by a single thought: to have been too expensive to driven by a single thought: to accelerate as rapidly as possible into electronics, aerospace and other high-technology busi-

Daimler-Benz's bid for control of AEG-a cash-poor company with a rich store of advanced technology—echoes strongly the actions of General Motors, which has this year spent nearly \$80n on high-technology acquisitions. Just as GM is seeking to protect its future as the world's biggest motor manufacturer, Daimler-Benz is primarily concerned to defend its position as the world's leading truck maker and a producer of up-market, high quality cars.
There is also a bonus for such adventurousness: by diversifying, these companies are spreading their interests out

of vehicle production - where, for the time being, growth has slowed to a snail's pace — to

"Electronics as an industry is still at the model T stage," says Mr Roger Smith, GM's chairman. He intends to use the expertise of the companies he has acquired to turn GM into a "paperless" organiorgani sation. Customers will be able to order a car, components for it will be called up and assembled at a computer-controlled factory and the finished vehicle sent off to its final destination without any

nvoices changing hands. in the forefront of the use of electronics in its vehicles — particularly in its highly-profitable cars. The German company has no intention of company has no intention of —Europe's biggest with 10,600 allowing the Japanese to move up into its part of the market over 100,000 vehicles a year, unchallenged.

the most important move by Daimler-Benz was the acquisition earlier this year of Dornier, the West German aerospace company — a move winch was quickly followed elsewhere in the industry by GM's purchase of Hughes Aircraft, the leading U.S. defence electronics company, for which Ford also bld, and Chrysler's purchase of Gulf-stream Aerospace.

Woerth also made it possible again are nive years of Carenum which the type which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the type which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the purchases of Dornier and AEG—Daimler-Benz to match the which resulted in the type which resulted in the strategic thinking of the type which resulted in the span to match the which resulted in the strategic thinking of the type which resulted in the span to match the which resulted Daimler-Benz was the acquis-

develop for cars and trucks Daimler-Benz's purchase of the 50 per cent shareholding it did not already own in MTU, which makes large diesel

engines, was not in the same category.

category.

It already had access to MTU's technology and the manouevre seems to have been defensive. The price paid for the MTU stake, unofficially estimated at DM 500m, provided a welcome cash injection for MAN, Daimler-Benz's particular in the venture and the ner in the venture and the second-largest West German heavy truck producer.

The timing of the deal en-abled MAN to resist the blandishments of General Motors which was more than a little interested in buying a sharehold-ing in MAN from its parent, the

slowed to a snail's pace — to slowed to a snail's pace — to areas with immense growth potential. Both GM and Daimler benevolent gesture towards a Benz know that their chances competitor was in reality enof growth through increased lightened self-interest. By helpmarket share in the motor market share in the motor are limited.

GHIT TABLE AS APPARENTS APP intruder to its domestic market-a market it has so far successfully guarded against foreign competition.

MAN accounts for about 10

per cent of West Germany's truck market, a useful starting point for any one of Daimler-Benz's competitors wanting to erode the group's dominant position and market share of well over 50 per cent.

This strength in Western invoices changing hands.

Daimler-Benz has already enabled Daimler-Benz to emerge shown it is determined to stay as the world's largest producer of heavy trucks (over six tonnes gross) by the end of the 1970s.

Its heavy truck assembly plant at Woerth, near Karlsruhe nnchallenged. enough to satisfy demand in Before the offer for AEG, both Germany and the UK.

The economies of scale at Woerth also made it

tream Aerospace.

DB's activities for many years, engine company in which all these buyers and bidders the future of the automobile. Daimler-Benz bought a 49 per

West German industry fights back to take over AEG means that a new page is being turned

70-

Chrysler

1984 9 24 08 -14 36 12 03 04 - 11

nistory.

It is not simply that the emerging giant will be the country's biggest company, with more than DM 60bm in annual sales (and a labour force of 295,000). More important, the action underlines the fact that German industry is at last restructuring to meet the growing international challenge in high technology products — above all from the United States and Japan.

At first sight, it may seem odd that Daimler-Benz is the company in the vanguard of change. True, the vehicle manufacturer is hugely sucmanufacturer is hugely successful; its prestige Mercedes cars and its commercial vehicles are renowned for safety and reliability; it ran up net profits of DM 1.1bu in 1984 on sales of D/1 43.5ba, and looks to be heading for an even better result this year.

result this year.
But Daimler has also long en identified with the qualities of that Swabian area of South Germany, where it is based — canniness, thrift, diligence and conservatism. In other words, it looked like an enterprise from which steady excellence could always be expected, but not a "great leap forward."

We can see no viable alterna-

tive to the automobile as the most individual and versatile means of land transportation.

The growth potential in the automotive industry in the long

has a cash hoard of close to cent stake along with manage-ment control earlier this year. While it has shown willingness to build trucks ontside Germany when that is what it takes to gain a significant

That image does a double injustice—to the region and the company. For no area of

de company. For no area of Germany has been more adept at identifying and fostering fast-growth, high-technology industry, thus helping to drive

the unemployment rate to far below the national average. Bosch and IBM's German operations are both based in

future success depends on close connection with an array

of technologies, not available to a vehicle maker alone.

This was certainly the rationale behind the acquisi-

tion of a majority state in

Dornier, the aerospace com-pany, if not in the purchase

of MTU, the engine manu-

In both cases, Daimler had its share of good luck. Daimler's previous equal part-ner in MTU, the sorely-tried

engineering concern, MAN, needed funds and was willing

to sell its stake. And the

bitter strife between members

of the Dornler family meant

that a door became open for a

strong new company owner emerging from outside. But Daimler also had an eye for

the main chance - and it

had plenty of ready funds. Even after its MTU and Dornier purchases, which cost

around DM 1bn, Daimler still

But it knows its

Swabia.

facturer,

High value cars and trucks rank

DAIMLER-BENZ number

seven in Sales ...

term is still enormous," says Hans-Jurgen Hinrichs, sales With this in mind, in 1981 sence to the executive and ahead of Ford for the luxury end of the car market. in many years. Daimier-Benz can no longer be viewed as a small, specialist luxury cars for rich people," producer. It will make about Herr Hinrichs insists. "We offer

Daimler-Benz has spent

520,000 cars this year, well ahead of its rival BMW

market share, Daimler-Benz has

if not decades. Its steady lesses brought it to the brink of bankruptcy in the early 1980s. It was saved by a "Vergleich" (composition pro-ceedings) under which 60 per cent of its debt was written off, and by a drastic slimming cure applied by its chief executive, Herr Heinz Durr. It has hauled itself back to a modest operating profit of DM 100m last year on sales of DM 11bn, and its recovery has been honoured strengthened share price.

Cash is exactly what Daimler-Benz's latest target,

the AEG electricals concern

has had little of for years-

AEG's image of a be-leagured household goods manufacturer is misleading. Household goods now accor for only 15 per cent of the company's sales. AEG is also active in fields like telecom-munications, satellite tech-nology, micro-electronics, and military equipment — with a research and development budget last year of DM 800m. It also has what amounts to a treasure-chest of patents and intentions, which could not it tapped sufficiently because the funds for development were not available.

That will now change. The Daimler takeover means that AEG's debt will be wiped out, that its capital base will be greatly strengthened — and it will not always have to be

looking over its shoulder at the banking consortia which the banking consortia which has held around 50 per cent of the share capital so far.

A group of high technology companies has thus emerged under Daimler's wing, each part of which should give stimulus to the others. For example, there are good prospects for cooperation between AEG and Dornier in transport, space. Dornier in transport, space, and communications technology; between AEG and Daimler in automation and information technology; and between AEG and MTU in intensified engine research. Some of that will certainly flo winto Daimler's effort to

... but its share of the world

vehicle market is small

incl Consolidated Subsidiaries

40-2 million vehicles in 1983

lieved, will result in new products capturing broader It might be argued that Daimler could fall on its nose with its AEG involvement rather as Volkswagen did with its investment in the ailing office equipment com-pany Trium-h Adler. But Daimler has long scrutinised AEG closely before taking the plunge and it sees a company which has already shed most of its problem sectors in the last couple of years,

and has dragged itself back

four-wheel-drive system which

engages only when the car's electronic control system says it

expand its vehicle market share. But much, it is be-

Jonathan Carr in Stuttoart

new mid-sized range, which has been progressively introduced The combination of these two new models has boosted the West Germany from 10 per cent no intention of moving any of taking Daimler-Benz to third its car operations "off-shore." place behind Volkswagen-Audi

be people who want this type of

This system will go into production for Mercedes cars next to 11.5 per cent so far this year, year. With its purchase of Dornier Although it restricts its pre- and General Motors-Opel but signalled that it has no inten-tion of being caught by its com-

should be.

into profit.

petitors as these developments occur, whether they come from the U.S. or Japan. The company can also take

cars of the highest quality and comfort from the fact that high safety. There will always many of the new electronics e people who want this type of systems can be adapted for use ar."

An example of what he had in helping Daimler-Benz maintain heavily on its car business:

DM 2bn on the "small"

An example of what he had in helping Daimler-Benz maintain

mercedes 190 launched in 1983

and another DM 14bn on plant

and equipment alone for the

specification of the sample of what he had in helping Daimler-Benz maintain

mind could be found at the its place at the top of the

recent Frankfurt Motor Show league of heavy truck pro
where Daimler-Benz showed a ducers.

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More jobs for minorities

Government is considering introducing a new concept of "contract compliance" relating to racial discrimination to apply to any commercial order placed by the central authorities. The company receiving the order could be obliged to show that it was not practising discrimination on grounds of race in any way, including covert discrimination and even discrimination of which man-agement may be unaware: for example, by not seeking hard enough to recruit from among the ethnic minorities. That is a welcome, if belated.

step towards outlawing racial discrimination in Britain It was, incidentally, under discuswas, incidentally, under discussion well before the recent outbreak of violence in the inner cities. If introduced, it is likely to be followed by a similar order extending to contracts placed by local government. The private sector will be affected at least indirectly, since it is the receiving of many since it is the recipient of many of the contracts. It will be up to it to show that discrimination

is being banished.

Some people will say that is still inadequate and would favour reverse discrimination on the American model, whereby a minimum quota of certain jobs is kept for the minorities. The trouble with that argument, however, is that in Britain, a country with quite different traditions, it would create an extra layer of bureaucracy at a time when the Government is trying to get rid of excessive regulations and rigidities in the labour market. It is a method of the last resort which might create as many problems as it resolved.

Recruitment

Yet the non-statutory approach will work only if it is pursued with total dedication by central and local authorities, by the trades unions and by the private sector. It is not enough to say that there is equality under the law backed up by the Commission for Office is on the right track.

THE MINISTER of State at Racial Equality and recourse the Home Office, Mr David Waddington, said on television last weekend that the British there is not equality in practice. tice, certainly not equality of opportunity.

A lot has to do with recruit-ment. It is often said that members of the minority communi-ties do not apply in force for jobs advertised. That may have something to do with the manner of the advertisement and where it is placed. Com-panies could go out and recruit more actively in areas where the minorities are concen-trated and put the advertise-ments in publications they are ments in publications they are likely to read. They might also give more thought to career prospects once they have been engaged; it is not enough to recruit blacks simply for the most menial jobs and leave them there.

The Confederation of British Industry has suggested that "contract compliance" might set a precedent in that some public authorities might begin to set other criteria in award-ing contracts rather than going for the best offer: for instance, by discriminating against com-panies which invest in South Africa. That is a red herring.
The point about compliance
when it comes to race is that
racial discrimination is against force admittedly, but one that must be seen to be supported. What people say in these matters is almost as important as what they do. There were honourable exceptions at the Conservative Party Conference

in Blackpool last week, but generally missing were the categorical assertions of the need to promote equality of opportunity for all Britons, re-gardless of colour. Equally, sections of the Labour Party have gone over to a sentimental view of oppressed minorities in this country that can do no good for race relations. It should be quite straightforward: there is too much evidence of racial discrimination. It can be at least partially cor-rected if employers begin to recruit more widely and the existing law is upheld. How-ever tentatively, the Home

Hammer in action

At 87, Dr Armand Hammer chief executive of Occidental Petroleum, has more energy than most men half his age. That he also has an ego to match is evident in a new book about him, The World of Armand Hammer, selling at \$35.

For the last three years John Bryson, a former Life Magazine correspondent, has been tailing Hammer round the world. He Hammer round the world. He has logged more than Im miles in the process, chronicling and photographing the life and times of the legendary tycoon.

The 256-page book, launched appropriately in the Armand Hammer Gallery in New York's Metropolitan Museum, is filled with pictures of Hammer in various parts of the world, mostly with famous people.

When he is not see chatting to the likes of Mikhail Gorbachev and President Reagan he can be found performing good works, or collecting art treasures. He is probably best remembered in the art world for paying \$5.8m for one of Leonardo da Vinci's notebooks.



back of that airliner

Men and Matters

Rather surprisingly the book gives little insight into the remarkable business succe remarkable business success of Hammer except to say that he "ricochets across the globe overseeing Occidental's operations, leaving behind him a trail of exhausted executives wondering how the steel trap brain can remember so many details."

His relationship with his executives is summed up by an anecdote about a member of his staff holidaying in the Pacific on a yacht without a radio. A helicopter was hired to find the yacht and drop a bottle into the ocean with the message "Call Dr Hammer immediately." Hammer, it is reported, works

14 hours a day, seven days a week, and spends a large amount of his time aloft in his amount of his time aloft in his travelling command post — his personal Boeing airliner. The book goes on: "To relax between stops, he and Mrs Hammer, holding hands, watch old Charlie Chaplin movies on one of the plane's two TV sets."

Clarke's cookie

Sir Hector Laing, chairman of United Biscuits, appeared to be in uncharacteristically contradictory mood yesterday. "I intend to continue as chairman for the foreseeable future," he stated in the morning, on the announcement that Bill Gunn is to retire as his deputy, and Bob Clarke, head of the main subsidiary, United Biscuits (UK) is to become group chief executive. Sir Hector Laing, chairman of

A few hours later he was explaining to me: "I'm a huge believer in smooth transitions. It seems the right time. 'Tm 621 and we have a rule

that directors should retire at 60. We've got to let the younger

generation get on."

Clarke himself, 56, seemed to find it easier to discuss his likely future as successor to Sir Hector. "Our whole ap-proach is one of continuity. It's a natural evolution of the business brought about by the re-tirement of people who grew up with it," he said.

Clarke grew up with Cadbury. When Sir Hector took over the subsidiary he was running about 12 years ago, he was given a choice between staying where he was or moving into the UB mainstream. "It seems to have worked out all right," he says diffidently. A calm, even imperturbable

man, he gives the impression of being more excited by the prospects for a new N.S. olive company just added to the group portfolio than the thought of being dragged through the U.S. courts in the state and the state of latest round of the infamous "cookie war." Next month Procter and

Gamble takes UB, Pepsico and Nabisco Brands to court, charg-ing that they have infringed its

soft cookie may be a market fad of the distant past by the time the case is finished. He prefers to rely for the ultimate defence on the strengths with which evolution has blessed UB. "You do learn over 100 years how to cook a biscuit rather better than newcomers like Proctor and Gamble."

Ocean wave

With P & O building a 13 per cent stake in it, Ocean Trans-port and Trading has been the centre of some keen attention

Now, Ocean has given the City something else to think about. Next year a new man will be at the helm, though he will share it for a time with the current executive chairman, William Menzies-Wilson.

Nicholas Barber, 45, and already an Ocean director, becomes group managing direc-tor, a new post, on January 1. Menzies-Wilson is due to step down at the end of next year under Ocean's rule of retirement at 60. The new appointment reflects his long-held desire to split the functions of as has happened in many com-

Barber, with Ocean all his working life apart from spells lecturing on classics in the U.S., doing an MBA course at Colum bia University in New York, and on secondment to the National Enterprise Board, has been a director since 1980. "There is a lot of potential in

"There is a lot of potential in the various parts of Ocean," he reckons. The City has not always seen eye-to-eye with the company, viewing recent dividend rises as distinctly ungenerous. Profits are now rising at Ocean—with interests in fuel distribution, offshore oil services, and freight forwarding as well as shipping—which ing, as well as shipping—which hit a sticky patch a few years Both Menzies-Wilson - who

may become non-executive chairman after retiring as an Ocean executive and Barber ocean executive—and profess to be unconcerned about the stake built up by under chairman Sir Jeffrey Sterling and say the timing of the appointment has no connection.

"I don't feel we're vulnerable, no," asserts Menzies-Wilson. "They can obviously see a good investment." says Barber, a keen hill-walker and erratic golfer, who has been in charge of Ocean's marine interests, including the one-third stake in the highly profitable Overseas Containers (OCL), in which P & O is also a shareholder.

Observer L

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THE SHADOW of South Africa will be looming over the week-long Commonwealth
Heads of Government meeting
(CHOGM) which begins in
Nasszu, the capital of the
Bahamas, tomorrow. In one
sense, at least, that will not
be such a bad thing. It will
concentrate the minds of the 40
or so leaders of countries,
ranging in size and importance
from Britain. Australia and Commonwealth from Britain, Australia and Canada to the tiny Indian Ocean islands of the Maldives, on one major international

nce se

ight,

In spite of the ritual obeisance to the Commonwealth as a unique association of independent states, bound together by the cement of a common colonial history and language. the two-yearly CHOGM is always vulnerable to the criticism that it is no more than a glorified talking-

What the meetings can do, wever, is to enable the leaders of countries with widely differ-ing political and geographical interests and economies in various states of development to have a full exchange of views in an informal atmosphere. This has sometimes influenced their subsequent national policies.

The most outstanding example of the Commonwealth process at work was the Lusaka heads of government meeting of 1979, when the foundations of a joint when the foundations of a joint policy for the independence of Zimbabwe were laid down. Such occasions are relatively rare, but there can be no doubt that Sir Shridath (Sonny) Ramphal, the ebullient and emotional Commonwealth Secretary-General, wants the Nassau conference to concern.

Nassau conference to concen-trate on South Africa in the same way as Lusaka focused on Zimbabwe. Sir Sonny, backed by many of the black African states, Australia, Canada and India, to name but the most important, believes that the Commonwealth should respond collectively, in the form of economic sanctions, to the apartheid system in South

they consider to be Britain's same thing to all the countries minimalist position, as expressed by Sir Geoffrey Howe, the Foreign Secretary, in a newspaper article at the weekend. If, as Sir Geoffrey processes the countries may be a same thing to all the countries who are so vociferously calling for them.

Sir Sonny, in spite of his passionate advocacy of bringing pressure to bear on South poses, each country pursues its own policy towards South Africa when a Commonwealth position cannot be reached at Nassau, that would be tantamount to falling to send "the strong signals" to Pretoria

Commonwealth meeting

South Africa: worries behind the hard line

By Robert Mauthner and Tony Hawkins



military attachés from South agricultural imports, on the Africa, go far enough. Mr Bob sale of Krugerrands and a sus-Hawke, the Australian Prime pension of civil air links with Minister, has warned Britain against isolating itself within the Commonwealth, while Mr attempt to bring some precision Rajiv Gandhi, the Indian Prime Minister, has also described the UK as "the odd Prime

one out." one out."

The pre-CHOGM huffing and puffing and dark intimations of irrevocable splits, aimed mainly at Britain, the senior member of the club, are in keeping with a long-standing Commonwealth tradition. But when it comes to looking for a common position of the hardline camp to set against Britain's opposition to economic sanctions, that is distinctly harder to find,

Economic sanctions need to term is to have any significance Africa. and there is no indication at These countries oppose what the moment that it means the

pressure to bear on South
Africa to abolish apartheid and
to introduce a genuinely
democratic political system, has
recently tried to bring some
order into the thinking on sanctions.

mount to failing to send "the strong signals" to Pretoria which most of the member states deem necessary.

Nor do the "hardliners" accept that the sanctions already agreed on by Britain as part of a joint European Community policy, such as arms, oil and nuclear equipment embargoes, a ban on sporting contacts and the withdrawal of special contacts and the withdrawal of special contacts.

No one is talking about a saud by many other Commonwealth countries. Britain, as one of the biggest foreign investors in South Africa, is merely looking after would include a ban on future that the sanctions. No one is talking about a full trade embargo on South Africa, who has said. What is being advocated is "selective" economic sanctions of the type proposed by President Julius Nyerere of Tanzania during a recent visit to Canada. These would include a ban on future that the sanctions.

Yet when it comes to the point of making decisions on economic sanctions, Britain could well find itself with some

That, at least, represents an attempt to bring some precision to all the loose talk about comprehensive sanctions. But even a selective list of this kind is likely to be rejected by Britain, though Mr Brian Mulroney, the Canadian Prime Minister, is reported to have worked out a compromise proposal which which proposal

surprising bed-fellows among South Africa's neighbours, who might advocate harsh measures with 60,000, would feel an in theory, but whose willingness to implement them is more doubtful.

with 150,000 migrant workers in South Africa, and Mozambique with 60,000, would feel an impact as a result of retrenchment in South Africa and reduced levels of migrant cash flows.

Such is South Africa's dominance of the Southern African economy and so great is the extent of regional interdependence that effective economic sanctions against Pretoria would be bound to have major adverse effects on

Sanctions against Pretoria would have adverse effects on the front-line states

The British Government has made it quite clear why it is opposed to economic sanctions. They would harm the black population of South Africa and economies of its African neighbours more than the white population and would merely stiffen the Africaners' resistance to change, it is claimed in London.

London.

That argument has been laughed out of court by Sir Sonny and by many other Commonwealth countries. Britain, as one of the biggest foreign investors in South Africa, is merely looking after its own interests, they claim.

Mozambique, Angola, Zambia, Zimbabwe and even Zaire. Excluding Zaire, they have a total population of more than some people and so great is South Africa's dominance that it accounts for 80 per cent of the regional GNP.

The greater the impact of received to the South Africa's and the south Africa'

might be more palatable to Mrs the front-line states and enclave economies. Moreover, with the economies. Moreover, with the exceptions of Botswana and Zimbabwe, the front-line states have fragile and umbalanced economies ones that simply could not withstand a protracted The regional economies liable

to be affected—to varying degrees—include Botswana, Lesotho and Swaziland, Malawi, Mozambique, Angola, Zambia, Zimbabwe and even Zaire. Excluding Zaire, they have a total population of more than

The greater the impact of son employed in Lesotho, six proved worthwhile if it enables sanctions on the South African economy, the more severe are likely to be the indirect effects their remittances exceeded 50 tions against South Africa The greater the impact of sanctions on the South African

flows. Already the weakness of the rand has had its impact on their balance of payments. Zimbabwe, with 16 per cent of Zimbabwe, with 16 per cent of its exports being sold in South Africa, stands to suffer from falling incomes and demand. Even now, Zimbabwean manufacturers are finding it almost impossible to compete in South African suppliers in neighbouring markets because of the slump in the rand.

The effects on the region will

The effects on the region will be more severe as and when Pretoria finds it necessary to adopt siege economy tactics in facturers and — eventually—increasing protectionism will further reduce the market shares of frontline states exporting to the republic.

to repatriate the 350,000 legally-employed "guest" workers — 80 per cent of whom work in the mines — and more than Im illegal immigrants, advocated leither working or job-hunting line states. in South Africa. For every per-

Furthermore, Pretoria could bring several frontline econo-mies to their knees by closing its borders and denying them access to the South African railways and ports. All of Lesotho's exports use the South African Transport Services (Sets). In Zimbabwe's case transport dependence exceeds 90 per cent, for Swaziland it is 70 per cent, Malawi 60 per cent and Zambia 40 per cent The transport sanction is

Pretoria's trump card. The only viable alternative for Malawi, Zimbabwe and Botswana is greater use of the three Mozambique ports of Nacala, Beira and Maputo, All are working well below capacity, partly reflecting port inefficiencies, but also because there are no reliable rail links to and from the interior. The to and from the interior. The line to Maputo from Zimbabwe has been closed for 15 months as a result of guerrilla activity by the Mozambican National Resistance (MNR), while traffic on the Beira line is also restricted by MNR's insurgency and by track deterioration.

Dependence sees further than

and by track deterioration.

Dependence soes further than the rail links themselves. In July 35 Sats locomotives were on hire to neighbouring territories and on any day in 1982 some 5,900 South African rail wagons were being used by the frontline states.

Indeed, in just about every sphere of economic activity— electricity supply, bank credit tourism, air transport, essential imports especially petrol, but also food grains, fertiliser, and heavy capital equipment—there is a high degree of South African participation or even con-trol. Scope for "de-linking," in-cluding former President Nyerere's bizarre suggestion of an airlift, is limited.

If it were possible to envisage short, sharp economic blitz to force political change on Pre-toria—Harold Wilson's weeks rather than months—then the damage suffered by the frontorder to protect its balance of line states might be contained payments and maintain output to manageable levels. But a proand employment at home. The longed campaign lasting more 10 per cent surcharge on than five years could have disimports announced last month, moves to protect its steel manuties already classified as among these already classified as among the world's less developed economies—especially if Pretoria were to retaliate vigorously.

Because of the different interests of the Commonwealth

Pretoria's retaliation could members, the final outcome of have an even more drastic the Heads of Government meeteffect on the region. Already ing is bound to be a compro-President Botha has threatened mise; a ringing condemnation will necessarily fall well short of the comprehensive sanctions advocated by some of the hard-

Yet the exercise will have proved worthwhile if it enables Commonwealth heads better to upon neighbouring black states.

Lombard

Sacred cows and the Gatt

By Andrew Gowers

of devotion to the General already. The bost of preferential Agreement on Tariffs and Trade sits an astonishing statement from no less a person than M Claude Villain, the Commission's recently-departed chief agricultural bureaucrat. "If one takes a hard look at the situation," he writes in a valedictory letter to his successor and fellow-Frenchman, M the Gatt also. Maintaining Gatt Guy Legras, "one has to say in its present form and our

Guy Legras, "one has to say in its present form and our Gatt is already dead and bistaying in it are not worth an lateralism is king. The Americans show as much concern about Gatt as about their first

That is a pretty dismal note

blue jeans." Mr Vi Villain's Mr Villain's remains, written some months ago but leaked recently to a French specialist publication, reflect worries frequently expressed in specialist publication, reflect worries frequently expressed in the EEC, and especially in France, about the U.S. government's current aggressive stance on agricultural trade.

French concern at the prospect of being forced to negotiate over key aspects of the Common. Agginglibral trade, about everything else, cannot really be faulted. In cereals, the common agginglibral trade, as in just about everything else, cannot really be faulted. In cereals,

the Common Agricultural Policy was the main reason why the European Community initially appeared reluctant to start a new Gatt round next But M Villain, now head of But M Villain, now head of a sizeable French meat com-pany, goes much further in publicly justifying EEC foot-dragging. In effect, he writes, the Americans are after the complete abolition of agricul-tural export subsidies in the next Gatt round. If progress is not made in other parts of the not made in other parts of the negotiations—on services, for example—they may seek to force a deal on agriculture

alone.
"Under these . . . conditions," ing is bound to be a compro-mise; a ringing condemnation of apartheid, coupled with agreement on measures which will necessarily fall well short that time will in any case bring of the community should do instead is to stall, on the basis that time will in any case bring a change in the White House.
"I would recommend that EEC negotiatiors let them (the Americans) know as fast as possible that Europe will never accept a separate and early deal on agriculture."

If the U.S. threatens to pull

SOMETHING distinctly nasty is lurking in the filing cabinets trade relations with the of the European Commission's Community and Japan—on farm policy directorate. Sheltered from the light of day behind the pious declarations of devotion to the General already. The host of preferential Agraemant on Tariffs and trade deals struck by the US.

That is a pretty dismal note on which to start a negotiation aimed partly at opening up agricultural trade. But it shows how deeply entrenched the siren voices of protectionism are in Europe, not just in the

agricultural trade, as in just about everything else, cannot really be faulted. In cereals, the U.S. is trying—in vain, it seems—to boost export sales to specified countries by offering new subsidies under its export bonus programme. The EEC's response has been merely to offer larger subsidies itself to the same countries. Algeria and Egypt, the targets of two such American initiatives, must be laughing.

The big losers, though—apart from the European and American taxpayers who have to fund this collective folly—are the less politically powerful agricultural exporters like Australia and New Zealand.
As the Australian Bureau of

Agricultural Economics pointed out in a recent study of the CAP, bilateralism is all very well, but it penalises those with out market power. What is more, as the sorry saga of the sugar market demonstrates, the more that countries resort to bi-lateral arrangement, the smaller and more volatile the world market becomes.
Is that really what M Villain

on agriculture."

If the U.S. threatens to pull preserve the sacred cows of out of the Gatt as a result, says

wants to encourage, in order to preserve the sacred cows of European agriculture?

Money supply figures

Sir.-The recent money suo ply figures were met with some incredulity as £M3 rose again, to a growth rate of 14.5 per cent. With regard to recent econometric analysis, however, such amazement is unfounded. In 1979, £M3 was chosen as the primary monetary aggregate the Government. Although its definition remains the same (notes and coins in circulation. UK private and public sight and time deposits) its composition has changed somewhat. This is primarily due to the introduc-tion of interest bearing sight deposits by various financial

[[]] $W(\eta_1)$

Econometric analysis shows Econometric analysis shows that the rate of interest, as measured by either the 90-day Treasury bill rate or the dividend yield on securities does not have a significant direct effect on money demand. Any interest rate effect comes indirectly through an implicit rate of interest contained within private and public-sector sight. private and public-sector sight and time deposits. This effect is positive, which therefore accounts for the "perverse ten-dency" to which Mr Wilkinson referred on October 9.

The factors that do affect money demand include personal wealth and financial deregula-tion. If one includes a personal wealth function one finds that it has a very large positive effect on money demand. This is not surprising when one considers the increasing volume of retail sales (up 6.8 per cent pa to Angust). Financial de-regulation also affects, in a positive way, money demand. In 1971 the competition and credit control proposals effectively allowed the clearing banks to abandon their cartel arrangement for setting interest rates. This act in itself helped increase money supply. More recent increases in competition within the financial services sector have also had a positive

impact on money supply.

Thus when considering the money supply figures, one should not lay great store by the £M3 figures, but concentrate on MO and other narrower aggregates. If one then compares the inflation rate and the MO monetary aggregate, the correlation between the two is more acute. This then partly explains the relatively low levels of current inflation, and the decline in importance of £M3 as an inflationary indicator, J. Hassid.

John Siddall & Son, The Stock Exchange, 4, Norjolk Street, Manchester.

Profitable spires

From Mr H. Mulholland Sir,—Re the article "Profit-able spires" (Weekend FT.

Letters to the Editor

October 12), the "poor" Bodleian Library of Oxford is subsidised by every publishing company, however small. By the copyright Act 1911, section 15: it receives a free copy of every book published in the United Kingdom. In total this subsidy amounts to several hundreds of thousands of pounds a year.
Of the other five recipients of a similar bounty three, in Cambridge, Dublin and Edin-burgh, are also part of wealthy universities. H. Mulholland.

The Croft School Avenue, Little Neston, South Wirrdl.

Russians facing the Press

From the Editor in Chief. nternational Management

Sir,—It is not true as reported by David Housego (Oct 5) that Mikhail Gorbachev's Paris Press conference was the first by a Soviet leader since Khrushchev. In 1968, Premier Alexei Kosygin tried it in Statisholm with diseasure. in Stockholm, with disastrous results. I was then a correspondent for Associated Press, and I asked him whether the Soviet Union was prepared to allow Czechoslovakia to develop its personal transfers without its personal freedoms without military or other interference from Moscow. The question so ratified Kosygin that for the rest of the Press conference each time he intended to say. "Sweden" he accidentally said "Czechoslovakia." It was like a preview of history, in fact, when at one point he said "I am happy to be here in Czechoslovakia." Two months after the Press conference, the invaded Ćzecho-

slovakia. Perhaps it was because of such gaffes that Soviet leaders have so rarely dared to face the Western Press. Michael Johnson, McGraw-Hill House. Shoppenhangers Road

Unprofitable offence i

From the Director. Department of Transport, Driver and Vehicle Licensing Sir,—Car tax dodging is not a profitable offence, as Mr

Kreamer suggests (October 8). The penalties for evasion re-

late in part to the period over

Maidenhead, Berkshire.

was unlicensed. The average period of unlicensed use in VED offence cases in 1984 was four months. The average penalty at £63 was 25 per cent higher than the cost of a six monthly licence. But we want VED evasion to be even less worthwhile. As your correspondent recognises:

which the vehicle in question

the courts have a major part to play here, by imposing fines which bear a closer relation to the prescribed penalty of five times the annual rate of duty is currently £500 (for a private car), plus all outstanding duty. Mr Kreamer, however, need have no doubts about the have no doubts about the energy and application of those in this department and in the police responsible for vehicle excise duty enforcement. Apart from the record number of intensive campaigns this month, revenue recovered is 8 per cent up this year on last, and staff productivity has increased by productivity has increased by over 50 per cent since 1982. G. R. Wattley.

Longview Road, Swansea

Dodging the

car tax From the chairman. Union Side, Driver and Vehicle

Licensina Centre Sir .-- The strictures by some of your recent correspondents on vehicle excise duty pre-sumes that its enforcement is out of control. This is simply not the case. Last year's national survey by the Department of Transport revealed that evasion has been cut from an estimated 7-9 per cent in 1979-80 to 4 per cent, £90m is still a lot to lose and more can and should be done to collect it but the case for abolition has

The possibility of switching to a tax on petrol was considered by Norman Fowler when he was Minister of Transport in 1979 and rejected. The abolition would place too big a share of the burden of motoring taxation on high mileage rural motorists and essential users. At 1979 prices over £100m a year could have been added to business costs resulting in higher prices in the shops and increased infla-

not been established.

Today the costs would be even higher. An increase in the price of petrol of at least 38 pence a gallon would be necessary and the spiral of inflation

would be refuelled "at "short sharp shock" treatment that Government wants to give to its supporters in the Shires? The motor and oil industries

are against any suggestion that road tax should be scrapped in favour of a substantial rise in petrol prices. The Automobile petrol prices. The Automobile
Association representing over
5m members, the Royal Automobile Club with over 3m
members and the Motor Agents
Association which represents
14,000 garage owners are firmly
against abolition of VED.

The improvements made in tightening enforcement during the last few years has been spectacular. The number of prosecutions and out of court settlements rose by 13.5 per cent in 1984 compared with 1983 which was itself a record year and the revenue in back duty, fines, costs, etc., at £18.25m was 24.5 per cent higher than in 1983 and 90 per cent greater than in 1982. I'm sure that the figures for 1985 will be even better! Clive G. Williams.

Longview Road, Swansea,

Straw into board

From the Director & Chief Executive, Furniture Industry Research Associatio

Sir,—Your article on straw utilisation (October 11) interestingly provoked a comment or two bere. For we have been looking at the problem, but from a viewpoint only touched on by your correspondent. In other words, instead of using straw from the fields as a fuel, why not incorporate it within the manufacture of boards as a reinforcing material, and use the result as a furniture or construction material? technical drawbacks mentioned could be overcome

FIRA checks just about every material for furniture and evaluates each for performance and durability in use. So a year or so ago we started to look at machines that could be suitable for the onsite manufacture of boards and panels from straw in farming areas. Our feeling now is that these could provide an answer in the near future, especially since transport costs from farms to large board mills would be prohibitive.

We have in fact already

evaluated strawboards made from quite small prototype equipment as potential fur niture materials. Although some problems certainly need to be overcome, the results obtained from tests we normally apply to wood chipboard have been sufficiently promising to justify further development. This we plan to do. Donald Heughan

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FINANCIAL TIMES

Tuesday October 15 1985



Paul Betts reports on a plan to boost productivity by France's biggest industrial concern

Peugeot on road to labour flexibility

actively promoted by the French Government in an attempt to increase industry's competitiveness, is about to be introduced by Peugeot, the country's biggest industrial concern. Its action could provide a lead for the development of more flexible labour rules elsewhere in the French private sector.

A Bill to encourage the idea is expected from the Government in the coming weeks. So far, however, the unions and the employers' federation have failed to agree ground rules for easing labour regulations which are at present extremely

Peugeot's intentions were revealed last week at the launch here of the company's 309 medium-sized saloon. The company re-turned to profit this year after accumulating losses of FFr 9bn (\$1.11bn) over the past four years. Its plans for labour flexibility at its manufacturing plants in France are intended to help consolidate this po-

sition by improving productivity.

M Jacques Calvet, the company chairman, said his target was to see the Peugeot group, with sales this year of about FFr 100bn, earn FFr 6bn-FFr 7bn a year in the next two

RENAULT factories throughout France could be closed from tomorrow or Thursday as a result of the dispute at the Le Mans factory, the company indicated

The Le Mans plant, which has been occupied by workers belonging to the pro-communist CGT union, manufactures the front and rear axles for all Re-

The group's Automobile Peugeot division is expected to be profitable again this year although the Citroën division will still be in the red. It is expected to break even

M Calvet favours paying workers on an annual system of hours rath-er than on a weekly basis as at present. Thus, instead of workers being paid on the basis of the cur-rent 38% hour working week, they would be paid on a fixed number of hours for the year, giving the com-pany the flexibility to make the

best use of workers' time. Three Peugeot car plants have al-ready accepted more flexible working time. M Calvet said about 200 workers in the group had also nault vehicles. A shortage of these could bring other plants to a halt later in the week. At Le Mans, strikers and those

seeking a return to work held rival meetings yesterday. There is CGT will be able to extend the strike, which also covers the Billancourt factory in the Paris region, to other plants.

shifts - known as VSD for "vendredi, samedi, dimanche" or SDL for "samedi, dimanche, lundi" - to ensure maintenance of automated assembly lines.

Peugeot officials say, however, that labour flexibility remains extremely limited in the group as a

M Calvet acknowledged that a significant change of attitudes had taken place in the past few years among French workers in their acceptance of the need for restructuring and improved productivity. The Peugeot group this year has continued to reduce its workforce by as many as 10,000 people out of a total of 180,000 without any serious

French car workers is also elo- forts to restructure its sizeable ca quently demonstrated by the failure manufacturing operation in Spain. of the communist-led CGT union to provoke a serious national conflict of the U.S. market for so-called Euat the state-owned Renault car ropean luxury imports have also

workers to accept the idea of mobil- and expects to sell between 15,000 ity. For example, the company has and 20,000 this year. been trying for the past nine M Jean Boillot, president of the months to persuade 435 workers at Automobile Peugeot division, said a components plant at La Rochelle he hoped sales would eventually in-

cess of the Peugeot 205 supermini and the completion of a widespread

number of car kits to Nigeria this February year. It has supplied only about 25,000 and is negotiating the sale of 20,000 more.

The group is also involved in delicate negotiations with the Spanish Government from which it is seek-This change in attitude among ing support in its long drawn-out ef- new car.

Its attempts to increase its share been disappointing. The company M Calvet said the one major re- markets a version of its Peugeot 505 maining difficulty in Peugeot's la-saloon in the U.S. It sold only 15,000 bour relations was to persuade cars in 1983, about 20,000 last year

to move to jobs in other group crease after Peugeot introduced a plants to preserve about 1,000 jobs second model for the U.S. and at the factory. Peugeot's return to profit this work there. The target was eventuyear reflects the commercial suc- ally to sell between 40,000 and

50,000 cars a year in the U.S. The 309 model will go on sale in restructuring of group operations.

France next week in competition

M Calvet said the only factor with the Ford Escort, Fiat Ritmo. which might cloud Pengeot's perfor-mance in the remaining part of this year was its Nigeria sales. The com-the UK plant at Ryton this month pany has sold well below its usual with a launch in Britain next

> By May, Peugeot plans to be producing 309s at a rate of 1,000 a day at Poissy in France and 180-200 at Ryton. It is seeking to secure about 7 per cent of the French market over a 12-month period with the

Polaroid

typically German solution. But having been cut out of the acwhich it duly did after the market

Throughout this extended take-over it has looked likely that United would secure control if only it printed enough paper. Yesterday's un-derpinning of the new cash alternative proved that judgment to be

It may be that United shareholdnent's initiative but, to judge from the initial market reaction,

ing of divisions. Not surprisingly, it is the banks (and notably Dresdner) that have most to gain from the sale of an as-

A solution for the problem child of German industry is one more fillip to the banking sector, expected to show record results for the year -and indicates Midland's good timing in the flotation of Trinkaus.

can always be bought for a price; in the case of Fleet Holdings it turned services and electricity from state-owned plants.

In Government hopes partly to offset the inflationary effect of a doubt and left the target company with no choice but to surrender,

the reverse is more probable. While

tive, they will be allotted new United equity at 275p per share, still well below last night's price.

agerial purpose. Fleet is a well-run Yamanouchi's Gaster. npany with a first-class record and, until yesterday, a bright future if it discovered the world's bestas an independent organisation. If selling drug every five years it still

THE LEX COLUMN Washing machines on wheels

Glaxo

It is not everywhere that share holders suffer a <u>dilution</u> in their equity holding of a third without a murmur; but then the banks that rescued AEG were not exactly willing shareholders in the company. Now that Daimler-Benz has picked up just under 25 per cent of the enlarged capital through the issue of new shares, it need pick up only the bank holdings to be in a position to consolidate AEG in its books – a

tion so far, ordinary shareholders can now tender their AFG holdings at DM 170 per share - which while well short of the price bid in yesterday morning's grey market, con-tains a decent premium to AEG's price of under DM 150 before word started leaking into the market.

How much Daimler will want to own is not yet clear; but a group with some DM 9bn in liquid bal-ances in its last balance-sheet would have few qualms about pay-ing DM 2bn for the lot - the cartel office permitting.

Daimler has been signalling for ome time that it has given up hope of growth in the European commer-cial vehicle market, and these signals became an explicit commit-ment to defence-related technology with the purchases in MTU and Dornier. Yet however attractive the 15 per cent or so of AEG's sales in these areas, it is hard to imagine Daimler sticking with white goods or manual typewriters - or not making some attempt to tap AEG's tax losses through some restructur-

set standing at a mere DM 27 a share in their books.

Fleet/United

The loyalty of institutional shareholders to their loftier principles

The most likely losers from the whole transaction are the small shareholders of United While the Fleet acquisition will improve the tangible asset backing of United equity, earnings look certain to suf-fer dilution. United may of course try to correct that problem by seliing Fleet's low yielding Reuters investment and reinvesting the pro-

area of the stock market will be

ceeds, but that would be a largely cosmetic solution. The one develop-ment which could fully justify the price paid for Fleet - new working practices on Fleet Street - is in the hands of a competitor, Mr Eddie

Glaxo

Life must be hard for a Glazo director: produce 1981-85 pre-tax profits of £403m, up 57 per cent, and the market registers disappointment Shareholders were not exactly hearthroken - the shares fell only E% to £13% - but the reaction shows ers will come to applaud their man- just what miracle treatments a soperdrug company like Giaxo is expected to perform.

Most of the growth has come

Fleet shares rose 15p to 376p, ref- from Zantac, the anti-ulcer drug, lecting the increased cash offer, Un-which is now probably the second ited equity dropped 12p to 290p and left the share terms trailing well behind the cash.

best selling drug in the world and looks set to oust its rival, Tagamet, from the number one spot within a For many institutions which have few years. In all the major anti holdings in both companies this will ulcer markets where Zantac has be a satisfactory outcome. They will been available for over two years, it receive a very full value for any has a dominant share. In Japan it Fleet shares they may own and, if has captured nearly 30 per cent in they are participating in the sub-underwriting of the cash alternathe share is now 42 per cent.

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The rest of Glazo's busine grew at around 15 per cent - typical of the sector - but it is clear that Yet there is not much evidence Zantac cannot keep up this frenetic that the change of ownership will pace of growth for much longer, serve any great commercial or man-even without new competition from

In fact, Glaxo is now so large that

ever there has been a test of institu-tional determination to support in-even with its bulging cash balances cumbent management and take a there must be a limit to the amount long-term view, it has been Fleet of R & D money can buy. But if the Fleet's shareholders have not on- year and £800m the next, it will still ly failed the test but omitted even to be growing substantially faster address it. Unless United shows it- than its competitors. Which is what self a better manager of newspaper its rating seems to suggest; at 13 or and magazine titles than Fleet, they will have done no more than trade shares are at a two-point premium paper or, to the extent they take to the rest of the sector, enough to cash, crystalise unnecessary capital discount above-average growth for gains liability. The upshot will be the next couple of years but no

Rey files \$20m suit on failed U.S. bank

By John Wicks in Zurich

MR WERNER K. Rey, the Swiss financier, has filed a suit worth over \$20m against Beverly Hills Savings & Loan Association, a Californian bank declared insolvent in April.

At the same time, Beverly Hills is reported to be suing Mr Rey for \$15m and alleging "fraud and rack-The lawsuits both concern deben-

tures of the bank subscribed by Mr Rey in late 1983. He had intended to convert the \$20m worth of deben-tures into 833,333 Beverly Hills shares, thus raising his stake from 9.8 per cent to some 26 per cent.

Although the board was in favour this transaction, Mr Rey announced in January 1984 that he would withdraw a corresponding "change of control" application and not go ahead with the conversion.

This followed a move by a dissident shareholder to take over con-trol of Beverly Hills with an unfriendly bid, a development which threatened to hold up state and federal approval of the transaction for several months.

This April, Mr Rey sold back debentures worth a nominal \$10m to Beverly Hills against a number of the bank's real-estate assets. Bever ly Hills, which had forecast a \$984 loss of \$100m, was shortly after wards seized by the Federal Savings and Loan Insurance Corpora-tion and reconstituted as a federally chartered mutual association.

The Beverly Hills suit, of which Mr Rey says he has received no official notification, is understood to claim that the debentures it bought back were "substantially worthless." It is seeking a court order to prevent Mr Rey from disposing of any property acquired in the April sell-back.

Mr Rey, who points out that the debentures were issued by Beverly Hills itself and that the U.S. authorities were fully informed of the transaction, contends that the Cali-fornian suit is a "tactical manoeu-

His suit against Beverly Hills is based on the fact that the company has refused to buy back the remaining debentures in his poss He is also claiming damages.

Mr Rey, who expanded his finan-cial interests earlier this year by acquiring the Swiss-based Phibrobank from the U.S. group Phibro-Salomon, retains 9.8 per cent of the Beverly Hills capital.

Norwegian coalition proposes an expansionist, deficit budget

BY FAY GJESTER IN OSLO

nority coalition Government yester- be sharply down to an estimated day proposed an expansionist, defi- NKr 35.8bn from NKr 46.1bn in cit budget for 1986, providing for 1985. small personal and corporate indirect taxes and significantly higher expenditure - particularly on health and social services.

Opposition criticism of underpending in these two sectors is beleved to have contributed to the setbacks suffered by all three coalition parties in last month's parliaposed increases were inadequate.

Together the opposition parties could force budget amendments through the Storting (parliament) which would push spending even higher, further strengthening inflationary pressures. The budget foresees expenditure

rising by 12.6 per cent to NKr 222.3bn (\$28.2bn), while revenues will grow by only 2.1 per cent to NKr 221.3bn. This will leave a deficit before loan transactions of NKr 48m, compared with a forecast surplus of almost NKr 19.3bn this year. While revenue from the important offshore petroleum sector will continue to account for a large slice

Iata plans

cheaper

air fares

to raise or lower fares.

oeriod.

Continued from Page 1

The plan would be tested by the air-

lines over a four-year experimental

The scheme would save airlines

from having to refer continually to

Adoption of the scheme in West-

ern Europe could be difficult, how-

and Belgium – has yet to study the

It is expected to conclude that the

Iata scheme does not go far enough and that its own efforts to win cheaper fares through new bilateral

Nevertheless, whenever the UK

could not win the kind of bilateral

pacts it wants, it would probably ac-

cept (although reluctantly) the lata

their governments for permission

NORWAY'S Conservative-led mi- of total income, its contribution will

This is because the weaker U.S. come tax concessions, increased in-dollar and lower petroleum prices are expected to reduce the krone value of Norwegian oil and gas output. In volume terms, 1986 production is expected to be about unchanged at 63.3m tonnes of oil equivalent (toe), compared with 63.2m toe this year.

The proposed modest concessions mentary elections. Yesterday the on personal wealth and income tax opposition claimed that the pro- with a nominal value of just over NKr 3bn - aim at encouraging mod-eration in 1986 wage claims, while those on corporate income tax (worth NKr 160m) are designed to ease restructuring and help finance investment by business and indus-try. The latter is expected to continue high next year.

Because of the direct tax of sions revenue from income and wealth tax will rise by less than 1 ent rapid growth in the domestic per cent to NKr 10.8bn. But indirect money and credit supply. Just how taxes apart from value-added tax it intends to do this is not explained will increase by an average of 7 per in detail, but the Finance Ministry cent to yield NKr 25bn, while VAT notes that "tough use of credit poliwill boost the total indirect tax take cy measures" may be necessary, as to NKr 76.4bn - 7.7 per cent up on

These increases are higher th the forecast rate of inflation - 5.5 per cent to 6 per cent – and the budget as a whole marks a shift to-

wards more indirect taxation. Health and social security contributions - another large item of the income side – will rise 9.9 per cent to NKr 57.6bn. Indirect tax increases will affect

a wide range of goods, including leaded petrol (the tax on unleaded will be cut), soft drinks, sweets, wine, beer, spirits and tobacco, motoring, pleasure-boat engines pack-age holidays, electricity and fuel oil. Subsidy cuts will raise the retail

price of meat and milk products. Charges will go up for some public services, including transport, postal services and electricity from statedeficit budget by slowing the pres-

ent rapid growth in the domestic well as "flexible interest rate poli-

granted patent injunction

By Paul Taylor in New York POLAROID, the U.S. photography

group, has won a second round in its closely-watched nine-year-old patent infringement suit against Eastman Kodak, the world's largest photographics products group.

Polaroid, based in Cambridge. Massachusetts, said a federal district judge in Boston granted it a permanent injunction against East-man Kodak, barring Kodak from selling instant cameras and film after January 9 next year.

The permanent injunction, which is likely to be fiercely contested, foltermined what damages, if any, to award Polaroid. The suit was originally filed in 1976, just a few days after Kodak introduced its first in stant camera

Kodak said it planned to appear against the ruling and the injunc-tion and would not change the operation of its instant photography business pending the outcome of its

appeals.

The progress of the legal action is being closely watched by Wall Street, aware that an ultimate victory for Polaroid could result in a windfall settlement. Polaroid has about 75 per cent of the market for instant cameras and films and Kodak has most of the remainder. An injunction, if finally imposed, could nave a dramatic impact on Polaroid, because instant photography equip-ment accounts for about 90 per cent

of its business. The precise impact of any ulti-mate injunction remains doubtful. Polaroid believes such an injunction would cover all Kodak's exist ing instant picture cameras and films. Kodak says it is still consider-ing the effect of such an injunction on its operations, because these now differ from those on the mar-ket when the suit was launched.

Sinclair C5 company owes £7.5m

Continued from Page 1 goodwill, patent rights and plant

and equipment." Every effort would be made to reconstitute the operation as going concern, "but at the moment we don't know which way it's likely to go."

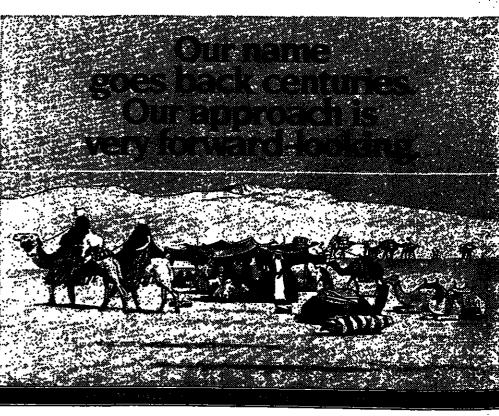
Considerable export potential still appeared to exist including Africa and the U.S. where initia sales had already been made.

Daimler buys **AEG** stake

Continued from Page 1

companies appear sure this will be forthcoming quickly. It is argued that the activities of Daimler and AEG complement one another in several key sectors, but that the two companies together hold a dominant market position in none. Daimler-Benz said that it

planned neither managerial nor structural changes at AEG. Herr Dürr underlined that he planned to stay on as chief executive.



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country's past tradition, but its present prosperity too. In our case, it also stands for something else, a progressive attitude that is definitely looking to the future.

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other financial services. Whichever you need, use us once and you'll never look back.



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Britain calls off talks with PLO leaders

Continued from Page 1

Mrs Thatcher had told him of the statement the PLO leaders would be asked to endorse. "I asked them why bother waiting until they reached London." he was quoted as

saying to a visiting delegation.

At the two Palestinians' request. meeting planned for Thursday with M Jacques Poos, current presi dent of the EEC Council of Ministers, was cancelled.

ever, because of the strong opposition by some airlines and govern-In New York moves to invite Mr ments towards liberalisation
The UK Government, which is Arafat to the UN general assembly for its 40th anniversary celebrapursuing its own path towards more liberal air transport - as demonstrated by recent agreements on cheaper fares with the Nether-lands, West Germany, Luxembourg

said yesterday that Mrs Thatcher's and as such are unacceptable." nitiative had ended in "humiliation

prised because we had received the continuing anger here over the force there was going to be a willingness aircraft by U.S. military aircraft, is

Putting a brave face on the affair he insisted that the exercise had been "worthwhile" and refused to acknowledge it as a "setback." The Foreign Office strenuously

denied that any amendments had been made to the text of the statement agreed with the Jordanian Government which in turn, it said, had given assurance of endorsement by the two PLO leaders generally regarded as "moderates"

within the movement. Earlier the PLO's London office tions were called off by the group of had alleged by way of explanation six non-aligned nations sponsoring that new phrases had been inserted his attendance. Dr David Owen, leader of the a change in the spirit of the state-British Social Democratic Party, ment which was to have been made,

Later, however, a spokesman for and embarrassment." The invita- the office said that the statement tion announced in September at the did not represent the view of the end of her visit to Jordan was based two delegates "nor the PLO centralon "hype and public relations," he ly." The executive committee would

issue one officially soon, he said. Tony Walker in Cairo adds: Presi Sir Geoffrey Howe said: We Tony Walker in Cairo adds: Presi-were very disappointed and sur-dent Mubarak of Egypt, reflecting learest possible assurances that ing down last week of an Egyptain demanding a public apology.

EEC call on Gulf imports

A NEW DEAL must be urgently ne- nation Gulf Co-operation Council gotiated governing EEC imports of (GCC), held in Luxembourg, petrochemical products from Gulf The meeting concluded that an oil producers, M Claude Cheysson, the European Commissioner responsible for relations with the Middle East, said yesterday, writes Quentin Peel in Brussels.

The present arrangement under the Generalised System of Preferences (GSP), granting very limited duty-free access for such products as methanol and ethylene derivatives, was "no longer adapted to the situation in the Gulf countries," he

M Cheysson was speaking at the end of the first ministerial-level talks between the EEC and the six- more than 16 times.

urgent start should be made to formal negotiations leading to a cooperation agreement.

Both sides agreed that a solution to the present trade problems concerning petrochemicals, over which Saudi Arabia has indirectly threatened to impose retaliatory tariffs on EEC exports, should be part of the overall negotiations, and not a precondition to an agreement.

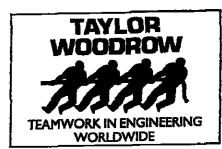
Both methanol and polyethylene from Saudi Arabia's new petrochemical plants now face duties in the EEC, because they have exceeded their GSP duty-free ceilings



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday October 15 1985



Chase Manhattan soars 61% in third quarter

BY PAUL TAYLOR IN NEW YORK

CHASE Manhattan, the third largest U.S. banking group, yesterday reported a sparkling 61 per cent increase in third-quarter net earnings, buoyed by higher net interest nine months of 1985 was \$310m

The New York-based group said third-quarter net earnings had in-creased to a record \$149m, or \$3.48. Quarter increased to \$73m from a share, from \$93m, or \$1.70, a year

The latest results, which help confirm the third quarter as a bumper one for the big U.S. banking stood at \$872m or 1.42 per cent of togroups, lifted nine-month net earnings to \$414m, or \$9.29 a share, compered with \$286m, or \$6.44, in the 1984 period. Chase Manhattan noted that the latest nine-month net earnings were \$8m more than full-

Chase Manhattan's provision for possible loan losses was \$110m in the quarter compared with \$125m in the year-ago period when provi-

HK Land pays

\$48m to settle

venture dispute

By David Dodwell in Hong Kong

HONGKONG Land, the Property

group, yesterday paid HK\$375m (\$48m) in cash and property to the Miramar hotel and investment com-

pany in an out-of-court settlement

over a disputed joint-venture devel-

Mr David Davies, managing di-rector of Hongkong Land, said the settlement concluded two years of

"corporate repair work." If the group had pressed ahead in court and lost, liabilities linked with its 35

per cent stake in the Miramar de-

velopment venture would have

The Miramar development was

one of 30 ill-fated joint ventures on

Hongkong Land's books at the end

of 1982. After write-offs in 1982 of

HK\$367m, Land admitted yester-day that the project had cost them more than HK\$700m in total.

Land's final decision to buy itself out of the project was because of a

conviction that it should stick to

volves payment of HK\$244m in

cash and the sale of properties val-

ued at HK\$131m.

amounted to about HK\$657m.

opment in Kowloon.

sions were swollen by \$50m by the higher net interest income and othproceeds of a legal settlement with Drysdale Government Securities. Chase said its provision for the first compared with \$275m a year earli-

\$69m in the second quarter and \$51m in the year-ago period. The resulting reserve for possible loan losses at the end of September tal loans outstanding compared with 1.23 per cent at year end and 1.17 per cent at the end of the 1984 third quarter. ...

Non-accrual and reduced rate loans totalled \$2.4bn, or 3.9 per cent of total loans, at the end of September against \$2.1bp, or 3.39 per cent of total loans, a year earlier, the group said the improvement

Toray of Japan to produce carbon figure at a FFr 200m (\$24.7m) plant near Pau in south-west France.

Production is initially due to

reach 300 tonnes a year, but the

partners plan eventually to double

The joint venture reflects the ef-

ing to other industrial sectors.

dustry; has sold a licence to the two

35 per cent stake in the venture, to

be called Soficar. The two French

venture through a jointly held sub-

French companies and has taken a with 650 tonnes

capacity to 600 tonnes a year.

trial sector.

sidiary, Fimac.

in carbon fibre deal

ELF AQUITAINE and Pechiney, dertaken a joint research pro-

two leading French state-sector in-gramme to develop new fibre tech-

dustrial groups, have linked up with nologies, and Toray said yesterday

forts of both Pechiney, an alumini-um company, and Eff, the oil and in France was strategic because the

chemicals group, to develop a pres- French aerospace industry alone

ence in what they regard as a accounted at present for as much as

strategically important new indus- 30 per cent of the European market

Carbon fibre is at present used. The carbon fibres market is in-

chiefly in the aerospace industry, creasing at a rate of about 20 per but the two French companies said ceut a year. World consumption this

yesterday applications were spread- year is expected to total 3,300

companies own equal shares in the depends on the aerospace industr

er operating income, including increases in all fee-based income categories, partly offset by an increase in other operating expenses.

Chase added that third-quarter earnings also reflected recent changes in Nex York City and state tax laws affecting the group's leveraged lease financing portfolio, which added about 38m to after-tax

Earnings per share in the latest quarter also reflected a lower level of preferred stock dividend requirements, partly offset by an increased number of common shares out-

Nine-month net earnings also reflect the favourable impact of the 1984 acquisitions of Nederlandse Credit Bank and Lincoln First Bank which added about \$22m to 1985

that it intended to help Elf and Pe

chiney to introduce their technolo-

gies in Japan to avoid one-way

The two French companies said

yesterday they expected their car-

break even in 1987 or 1988. They ar-

Pechiney, which is anxious to di

versify into new products, already

for about 20 per cent of its total

transfer of technology."

for the material.

in third-quarter results reflected first-half net earnings. France and Japan

> Herr Herbert Jacobi, spokes man for the bank's managing partners, said yesterday that Midland had for some time intended to dilute its holding to promote Trinkans's image as a og-established German institu-

Midland bought into Trinkaus

ing to other industrial sectors. tonnes compared with 800 tonnes in Toray, the leading producer of 1988. Production is concentrated in

would be entitled to half of Trin ued, he expected the dividend to

tial operating profit in the first nine menths of this year.

sults, which Herr Winkel said

nth, has a core of private cus er business for selected indi s. Lately, it has also been

form earlier this year from a partnership to a corporation with

Trinkaus to float 22.8% of equity

TRINKAUS & Burkhardt, the West German bank, is launching shares on the slock market in a move which will cut the stake held by Midland Bank of the UK from 92 per cent to just over 70 per cent. Trinkaus is offering investors a stake of 22.8 per cent consisting of part of Midland's holding, plus shares newly created through a small capital in-

crease.

The shares, with a nominal value of DM 50 (\$19.2) will be of-fered at a price of DM 190. The remaining 7 per cent of Trinkans shares are held by present managing partners and the families of former partners.

The share offer, which Trin kans arranged with Deutsche Bank, will raise a total of DM 77.9m. Midland will raise DM 58.9 from its package while the remaining DM 19m raised through the capital increase will

tion. Trinkaus this month is celebrating its 200th anniversary.

five years ago when it took over a 59 per cent stake held by Cit-ibank of the U.S. It later increased its holding but made clear that some shares were "parked" ready for suitable part-

Herr Jacobi said that to emhasise its commitment to Trinkaus Midland's 70 per cent stake would not be registered on the stock market, while the remaining capital, all in the form of ordinary shares would be reg-istered for trading in file stock exchanges of Frankfurt, Dossel-dorf, Munich and Stuttgart.

Herr Gerhard Winkel, one of the managing partners, said that the Trinkaus group, including subsidiaries in Luxembourg and

BIG THREE IN U.S. SEMICONDUCTORS LAUNCH EFFORTS TO BEAT INDUSTRY DOWNTURN

Silicon Valley gets off the ropes

BY LOUISE KEHOE IN SAN FRANCISCO

SURVIVAL tactics have replaced strategies for success in Silicon Valley's semiconductor industry. The combined effects of the worst industry recession yet and the so-called "Japanese threat" have brought dramatic changes with the loss of thousands of jobs and a balt to

This month, National Sen ductor, Intel and Advanced Micro Devices, Silicon Valley's three major semiconductor manufacturers. have each reported record losses.

The Silicon Valley trio are lead-ing an industry effort to obtain re-lief from Japanese "dumping" and are co-operating in an effort to bring the industry's plight to the at-tention of lawmakers in Washing-

Each of the three, however, has undertaken a very different approach to fending off the Japanese competition and regaining its pre-recession strength. Intel, the technology leader, has turned to manufacturing to create a shield against Japanese competition. National Semiconductor, the "jelly bean" high-volume manufacturer, is fo-cusing on the latest technology to improve its profitability, and the energetic Advanced Micro Devices is

National Semiconductor long since recognised the weakness that made it the record loser in the

TRILOGY, the ill-isted supercomputer venture founded by computer design guru Dr Gene Amdahl, expects a loss of \$14m for the nine months ending September 29, the company announced. It al-so said it had completed its merger with Elxsi, a privately held

Trilogy said that it anticipated an operating loss of slightly more than 53m for the third quarter with an additional charge of 54m for discontinued operations. The company has cash and equivalent re-

Another big change at National is

its entry into the market for custom

a customer's need. "We are moving

in the direction of service and pro-

prietary designs," says Mr Charles

Although National is now num-

ber two in the U.S. application spe-cific integrated circuit (ASIC) mar-

ket, "clearly we had planned to be

further than we are today," he

Sixty per cent of National's prod-

ucts are now proprietary designs,

and these are providing most of the

company's sales dollars this year. "We have made a start," says Mr

The design of proprietary chips is National's primary defence against Japanese competition, says Mr

Sporck. "The U.S. is very strong in

product areas that are heavily de-

sign dependent and will remain so

for some time. The trouble is that,

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tel and others introduce their ver turer of the standard memory and sions of 32-bit micros soon. logic chips, National was among the first to feel the heat of Japanese competition. Its commodity products are the first to go down in price when demand slumps.

National is trying to balance its commodity business with a host of proprietary designs that carry higher profit margins and are less succeptible to market cycles. The most important is a 32-bit microproces-sor, two years ahead of Intel in concept, and that is a victory over the inventor of the microprocessor, which has led the market ever

National claims to be winning three out of every four "design-ins" systems manufacturers' decisions to build a new product around a chip. At this point, however, the aiming to "out-invent" the microprocessor is being sold only in small quantities for prototypes and the handful of completed products that include the chip. National will face tougher competition when Inmicroprocessor, it is no good if your customers base has disappeared. That is what is happening when we see electronics manufacturing going off-shore," he sais. National is none the less not giv

ing up on high-volume production.
We have to maintain in our excellence in manufacturing. There is no way to fight them on the basis of design alone. That way we will get steam-rollered," Mr Sporck says.

even if you do have a better 32-bit

Separately, Intel Corporation seems to have come to the same conclusion. While not planning on and semi-custom devices tailored to giving up its role as the industry's innovator, Intel is determined to become a "world class" manufacturer. The days of the medium-sized E. Sporck, president of National broad-based chipmaker are numbered, it says.

To survive, a chipmaker must avoid moderate size products lines and concentrate on low-volume, high-margin niche markets or spew out high-volume commodity parts in super-efficient plants. Intel plans to do both

The company will focus its design expertise on niche markets and is entering the semi-custom sector for the first time.

The biggest change will be however, in the company's attitude towards manufacturing. Intel will give far more emphasis to manufacturing technology, says Mr Craig R. Barrett, vice-president in charge of upgrading the company's plants.



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INTERNATIONAL COMPANIES and FINANCE

Progress in UK/Japan bank talks

Euroyen bonds.

The MoF is understood to be considering treating Jap-

anese corporations' overseas

subsidiaries as foreign com-panies, enabling them to float Euroyen bonds, even

though their parent com-

panies in Japan do not meet the issuing requirements.

Those overseas subsidiaries with a double A rating and the most of those with a

single A rating are eligible.

Japanese banks, however, have urged the MoF not to relax the criteria and to limit the number of eligible

issuers of overseas units by

applying the same domestic issuing requirements as for

unsecured bonds because they fear a further erosion

of long-term lending.

be able to resolve the long-standing issue of the application by Nomura Securities and other Japanese brokerage houses for deposit-taking licences in London by next

This emerged in Tokyo yes-terday in the third round of talks between financial officials from the two countries. The heads of both delegations—Mr Tomomitsu Oba, the vice-Minister of Finance, and Sir Geoffrey Littler, second permanent secretary to the Treasury—described the nego-tiations as "positive" and "helpful," an apparent contrast to the acrimony and outright disagreement that marked

earlier exchanges,
Although no formal
announcement was made, it was also confirmed that Kleinwort Benson, the British merchant bank, will shortly receive its Tokyo securities licence. Additionally, the Ministry of Finance (MoF) may approve as many as four more foreign licences by the end of the year or shortly thereafter.
Mr Oba and Sir Geoffrey

agreed that the main problem in the Nomura case remained what Sir Geoffrey called the "structure of responsibility" for supervision inside the MoF.

is our problem."

The Bank of England called in to monitor reports problem." The two sides meet requires that a foreign non-bank seeking to take deposits

London and would work with Yesterday's talks also

THE JAPANESE Ministry of Finance (MoF) is considering allowing over-seas units of Japanese companies to issue Euroyen bonds with the same issuing conditions as those for foreign corporate borrowers, Yoko Shibata reports from Tokyo.

At present, if the proces

from the bonds are to be kept out of Japan, Japanese issuers have to meet stringent issuing conditions. As a result, the number of eligible issuers of Euroyen convertible bonds is limited yen straight bonds to 57. On the other hand, foreign corporations which have acquired the required credit ratings are eligible to float

in London be subject to normal the securities bureau, the con-banking supervision in its ventional "policeman" of the country of origin.

In Japan, different arms of the MoF — its securities and this will satisfy the Bank of assumed in Tokyo that the conbanking bureaux — supervise England's regulatory authorities, although Sir Geoffrey said status within a week or two.

JAPAN AND the UK hope to Mr Oba more bluntly said: "It MoF is now proposing that the last night that "we are moving

Yesterday's talks also centred on two problems of Japanese practice of concern to the UK and other Western nations. These involve the separation in Japan of banking and brokerage functions, and the consequent difficulties of, for example, UK merchant and clearing banks in meeting Japanese legal requirements.

In indicating that it is willing to look favourably on additional foreign applications for securities licences in Tokyo, the MoF seems to be going some way to meeting such objections, though it is still insisting that the brokerage subsidiary of a foreign bank must be less than 50 per cent

owned by the parent owned by the parent owned by the parent On the MoF's list are concerns like Drexel Burnham Lambert, Hoare Govett (part of the Security Pacific group), County Bank (the National Westminster affiliate) and Deutsche Bank, which may use the vehicle of a Hong Kong the vehicle of a Hong Kong

Kleinwort Benson's licence is now in the final bureaucratic stages of processing and it is assumed in Tokyo that the company could graduate to its new

New chairman for Sun Hung Kai & Co

BY DAYID DODWELL IN HONG KONG

Mr Tony Fung Wing Chung was yesterday appointed chair-man of Sun Hung Kai & Co, the Hong Kong investment and finance group in succession to his recently deceased father, Mr Fung King Hey.

Ting Aing ney.

The 34-year-old heir to Fung King Hey will also become chief executive of Sun Hung Kai in March next year. He will succeed Mr William Arthur who in the recent past has represented Merrill Lynch of the U.S. in Sun Hung Kai. Merrill sented Merrill Lynch of the U.S. in Sun Hung Kai. Merrill Lynch has a 25.5 per cent holding in the Hong Kong group and yesterday insisted that it expected a "continuing close relationship" with Sun Hung Kai.

Sun Hung Kai which has had

tionship." with Sun Hung Km.
Sun Hung Kai, which has had
serious financial problems over
the past two years, has undergone a major restructuring in
recent months following the
withdrawal of Banque Paribas
of France, the disposal of a
substantial shareholding in TVB. a local television group, and the disposal of the Sun Hung Kai Bank to Arab Banking cor-poration for HK\$360m

Problems are officially blamed on high local interest costs, and a decline in commission income a decline in commission income from gold dealing, commodities trading, and overseas securities transactions. During the past year, interest costs have fallen, and securities trading has revived. Combined with the reduction in indebtedness that has followed corporate reconstruction, the company note. struction, the company now claims it has overcome its most

serious problems. Mr Tony Fung has worked in Sun Hung Kai for 12 years, recently spending a year attached to Merrill Lynck in the U.S. Before his elevation to succeed his father, he was vice-chairman of the group, and chairman of its executive com-

mittee. Mr Arthur would not disclose yesterday what post he would take up in Merrill Lynch after leaving Hong Kong next spring. He will remain Sun Hung Kai's wice chairman for the time being, and said yesterday that he hoped to be Mr Tony Fune's "bridge to Mertill Lynch in New York."

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Continuing improvement in first quarter for MIM

BY MICHAEL THOMPSON-NOEL IN SYDNEY

After losing A\$32.2m in the first 40 weeks of 1984-85, including a first-quarter loss of A\$14m, Mim rallied to trim net losses for the full year to A\$18.3m.

The directors said the first-quarter improvement reflected a 23.6 per cent gain in sales to A\$321m, and a 0.7 per cent decline in the cost of sales. Depreciation of the Australian dellar helped boost revenue, with average copper prices up on the previous first quarter, though lower than in the final quarter of 1984-85.

All divisions operated at planned output levels, and all

MIM HOLDINGS, the big were profitable, except the Queensland mining company, has reported first-quarter net profits of A\$18.2m (US\$12.7m), signalling a continuation of its climb from trouble.

After losing A\$32.2m in the first 40 weeks of 1984.85, https://doi.org/10.1007/j.com/10.2

MIM's coal operations will soon become more profitable. "The coal programme got them into trouble in the past, but it will pull them out of trouble in the future if the copper price stays flat."
MIM was sharply criticised

recently for paying Mr Robert Holmes à Court, the Perth investor, A\$140m for an additional 13.3 per cent stake in Asarco, the troubled U.S. mining concern, which in turn controls MIM. Most observers thought the money would have been far better spent reducing MIM's debt.

Malayan Tin Printing wins control of Van der Horst

BY CHRIS SHERWELL IN SINGAPORE

MALAYAN Tin Printing (MTP), a Singapore company linked to the Pegi group in Malaysia, has won control of Van der Horst, another Singapore corporation, in the first suffer a decrease in attribute allebrar takeover in the island state since 1983.

amounting to 19.8m shares in Van der Horst, representing 51.7 per cent of the company. At the time of the original offer, Van der Horst's largest shareholder, Associated Man-agement Services, accepted in respect of its 24.9 per cent stake.

all-share takeover in the island able earnings, net assets and state since 1983.

dividends, and pointed out that An announcement said MTP there was no cash alternative, and received acceptances MTP, which was advised by

Standard Chartered Merchant Bank, said its revised offer, valuing Van der Horst issued capital at S\$63.4m (US\$29.7m), offered a premium above the share market price and that Van der Horst had not fully exploited its potential, offer is now unconditional.



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October 15, 1985 London By: Citibank, N.A. (CSSI Dept.), Agent Bank

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October 15, 1985 London By: Citibank, N.A. (CSSI Dept.), Agent Bank

INTL. COMPANIES

Gotthard buries the past and looks for new shareholders

BY WILLIAM DULLFORCE IN GENEVA

GOTTHARD Bank (Banca del Got- clusion in the syndicate managing tardo) of Switzerland, having recent World Bank bond issues, and emerged in true phoenix fashion there is no doubt that Gotthard exfrom the ashes of Banco Ambrosia- pects to find its growth abroad. no, has been opening up to new shareholders this year. It has increased its share capital by 10 per cent, placed 65,000 shares on the London market and from this month is quoted on the Geneva and Lausanne stock exchanges as well

as in zurich.

It is also changing its previously very cautious policy on dividend payments to shareholders. Sig Fernando Garzoni, chairman, forecast a 14 per cent increase in net earnings and a rise in the 1985 payout, when he presented the nine-month figures earlier this month.

Sig Francesco Bolgiani, president of the executive board, estimates that roughly 20 per cent of the bank's 880,000 voting and 247,000 non-voting shares are now trading on the market and that the number of shareholders is approaching

The largest is Sumitomo Bank, Japan's third biggest commercial bank, which in 1934 paid Banco Am-

Het Profit (1964) Cash Flow (1984) Dividend per shen Fiduciary Deposits

MIM

The second secon

brosiano Holding of Luxembourg \$144m or SwFr 750 (\$347) a share for its 42 per cent stake in total shares and 52 per cent majority holding in the voting shares.

Sumitomo's intentions are obviously a crucial element in assessing Gotthard's present drive to broaden its shareholder base. The Japanese presence at Gotthard's head office in Lugano is discreet. Sumitomo has one representative on the 11member board of directors, one out of four on the management board and three vice-presidents among the total of 570 employees.

Apart from gaining a window on the Swiss market and a useful source of fee income. Sumitomo seems to be using Gotthard as a school for learning about the securities business and portfolio management (a field from which as a com-mercial bank it has been excluded under Japanese regulations) in anticipation of deregulation in Japa-nese banking legislation.

Gotthard's senior executives, predominantly Italian-speaking Swiss from the canton of Ticino, underline the high degree of independence they retain both in pursuing the bank's established business and in venturing into new projects.

Sig Bolgiani, however, acknowledges that the Sumitomo name opens the doors of more senior executives when he travels abroad these days. The backing of Sumitomo may have secured Gotthard's in-

holders' capital it is the third largest foreign bank in Switzerland (after Trade Development Bank and Paribas). It is also among the more

its cash flow equalled 18.8 per cent of shareholders' equity in 1983 compared with a 15.2 per cent average for all Swiss banks, and at over SwFr 50,000 its net earnings per employee were some SwFr 20,000 ahead of the average.

Gotthard differs somewhat from the hig Swiss banks in being lighter sions from securities business and Interest income made up just un-

der 40 per cent of net earnings in

ties, loans, trust and fund management accounting for more than 38 per cent and 14 per cent coming from foreign exchange and metals.

Gotthard plays a more prominent role in underwriting Swiss franc bonds and notes than would be excepted from the line of the line. pected from the size of its balance sheet. It has been innovative in new issues, sometimes to the irritation of the bigger Swiss banks, and has

been regularly managing about a dozen placements a year. The Japanese connection, which existed before Sumitomo moved in, has been especially important for Gotthard's underwriting business. It is now opening a representative office in Tokyo.

The balance sheet discloses an

equity-to-assets ratio of 8.6 per cent. but Lombard Odier, the private bank which sponsored Gotthard's introduction to the Geneva ex-change, estimates that shareholders' equity is carried at only 60 per consolidated holdings are stated at about a third of their actual worth. The disclosed net profit of SwFr 29m last year understates net earn-

ported cash flow of SwFr 65m. The increase in earnings expe ed this year is attributed to a higher interest margin, good returns from currency trading and a further in-provement in commissions. On top of that comes the SwFr 40m repatriated from the reserves of the Bahamas-based Gotthard Bank International to the parent's internal

ings, which must be nearer the re-

the Nassau company to non-risk In effect, Gotthard Bank appears to have emerged virtually un-scathed from the Ambrosiano affair. In 1982 it added SwFr 25m to provisions for losses, but, according to Sig Bolgiani, these have not been called on, and in June last year the Ambrosiano creditors signed a paper releasing Gotthard from any

Cardo looks to strong recovery after slump

Ambrosiano.

BY KEVIN DONE IN STOCKHOLM

and investment company, expects acts during 1985.
to increase its profits by about 35
This year's beet harvest is expectper cent this year, marking a strong ed to be as usual. The Sugar Com-

per cent this year, marking a strong recovery after a plunge of 25 per pany has decided to invest in a full-scent in earnings for 1984.

The group, which is now 21.5 per cent owned by Volvo, the Swedish automobile, energy and food concern, said that earnings (after financial items) rose to SKr 578m 330m for the whole of 1985, compared with SKr 201m in 1984, acceptable profits a programment of carriers in Cardo's latest furnaces. eight months of 1984, an increase of cording to Cardo's latest forecast.

25 per cent. Hilleshög, its seeds subsidiary, has been hit by heavy owned subsidiary, has had to take a writedowns, however.

CARDO, the Swedish sugar, seeds for both sugar and feedstuff prod-

heavy SKr 61m writedown on seed Group operating income rose to stocks which have been overtaken SKr 2.24bn from SKr 2.09bn in the SKr 2.24bn from SKr 2.09bn in the first eight months of 1994.

The Sugar Company, Cardo's several markets. As a result, Hilleshög earnings for all 1965 are exmost important subsidiary, raised pected to be halved to SKr 50m its profits after financial items to from SKr 99m last year.

SKr 2.28m from SKr 102m a mast.

SKr 278m from SKr 192m a year Hilleshög earnings in the first earlier. It was helped by record production in 1984 and good demand from SKr 143m.

NORTH AMERICAN QUARTERLIES

AMERICAN HOSPITAL Health care products, di	SUPPLY stribution		RUMLINGTON NORTH Reliroed		
Third quarter	1985	1984	Third quarter	1965	
Revenue	841.5m	849.5m	Revenue	2136n	
Net profits	47.3m	56.8m	Net profits		
Net per share	0,54	0.77	Not per sheep,	. 231	-1.90
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7 7 7 7 100 mm m m m m m m m m m m m m m m m m	2.5bn	2.57bp	Net profits	448.3m	
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Benkisa				<u> </u>	
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Third quarter 1	\$	t to	Net proffs programme	22.710	43.1m
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			Net profits	18.4m	†28.2m
Mine months			Not per share	0.24	,
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Net profits					
Not per share	4.73	. 3.71			<u> </u>
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BANK OF NEW YORK			Glass fibre products	<u>. </u>	<u>.·</u>
20th Impost U.S. bank			Third quarter	1985	1984
				***	. 3
Third quester	1985	1984	Revenue	870.4m	605.2m
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Net profits	32.7m	26.9m	Not per state	1.31	. 1.18
Het bet speramminn	. 1.58	1.27	Hist months		
Mine month			Revenue	· 236ba	
Net profits	96.7m	79.1m .	. Net proffic	47.1m	. aban

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 14.

U.S. DOLLAR STRAIGHTS Amex Credit 10°s 60 Amex Credit 10°s 68 Adest Recitif 10°s 00 Australia Com 11°s 5 BP Capital 11°s 82 Canada 11°s 82 Canada Pac 10°s 93 Canadan Pac 12°s 93 Canadan Pac 12°s 93 Chempi 15°A 12°s 30°C Change on day week Yield 6 - 05s 7.03 0 - 11s 6.82 0 - 05s 8.72 + 81s + 81s 7.03 0 - 83s 8.94 DELITSCHE MARK STRAIGHTS
STRAIGHTS
Asian Dev Benk & 94
Austra, Republic 7-, 94
Sextor Travenol 7-, 94
Copenhagen 7-, 95
Credit National 8-, 94
F18 7-, 94 Citicopy 10 88
Gricopy 11 9 85
Goog Cole 114, 95
Denmark Kingdom 111, 89
Denmark Kingdom 111, 90
Denmark Kingdom 111, 92
EDF, 10 95
EEC, 114, 90
ELS, 136, 90
ELS, 136, 90
ELS, 136, 90 Ford Motor Cred 12 95 Gen Elec Credit 104 00 GMAC 104 88 IBM Credit 104 2000

Aust case & Light 13 52 SA GMAC 127, 88 AS Kellogg Co 124, 86 AS Midland krit 139, 90AS Amex 194, 90 CS CBC 104, 90 CS Gensider Fix 119, 85 CS Hamul - Wearth 104, 95 CS Lobiane Cox 114, 92 CS Sears Acc. Co 104, 82 CS Winnings City 104, 90 CS Australia Comm 11 92 E BP Capital 10% 92 E ELB. 11% 93 E GNAC UK Fin 10% 90 E 8 Bid OBer C.Be C.cpe
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Faji Hay Indo 3 2000

Fujistu 3 59

Kumagai Gumi 32, 2000

Marul 32, 99

Misudajhi Elec 24, 00

Mapon Di Co 3 2000

Mapon Ol Co 3 2000 Mippon Oil Co 3 2008 Oki Elec Ind 31: 99 Orient Leasing 5's 98 Selusui House 3 99

Wherever it is, we'll find it. is the primary source of energy. It is the power that moves the world and will be so for many years to come. But, it is necessary to be prepared to wrestle this treasure from the earth's most secret strongholds, using the latest continuously evolving tech-nology, and to venture into hostile, Agip, Italy's national oil company, took up this challenge sixty years ago, probing into the origins of the earth, experimenting with new techniques, and devoting to these activities human and economic resources that are always up to the difficulties to be Wherever the possibilities of finding oil exist, Agip is present with its spirit of initiative and decades of experience. The results achieved. alone or in cooperation with leading oil companies, in 30 countries, on 5 continents, make Agip a reliable operator in any oil activity. Deep thinking. Top results.

Glaxo jumps 57% to over £400m

manufacturer, achieved further growth in the second half of 1984-85 and ended the year to June 30 with pre-tax profits 57 per cent higher at £402.9m, comper cent higher at £402.9m, com-pared with £256m previously.

At the interim stage, profits were ahead from £117.4m to £194.6m and it was estimated that exchange rates had increased sterling profit figures by £12m. Sales of major products had shown growth.

final payment 5p higher at 14p. Glaxo achieved main stream
A one-for-one scrip issue is sales growth of 30 or 34 per also proposed.

Turnover for the year, includ-ing sales to the former subsidiary Vestric but excluding sales by that company, amounted to £1.19bn, an increase of 30 per

Glaze Holdings, pharmaceutical cent on the previous year's nanufacturer, achieved further 5914.4m. Vestric was sold for 198483 and ended the year to une 30 with pre-tax profits 57 er cent higher at £402.9m, compared with £256m previously. £20m higher than the correspo ing nine months figure of the previous year and compared with £325.5m for the previous full

year. UK sales, excluding sales by Sales of major products had by 17 per cent with stated earnings for the from £194.7m to £227.7m, and full year well up at 75.5p, against overseas sales showed an 45.8p, the dividend total is to be hoisted to 20p (13p) net with a £719.7m to £958m. differences. Exchange rates clipped £40m from the sales total, but had no material effect

by 54 per cent from £235.3m to £361.4m. Share of associated companies' profits added £15m, against £13.6m, while investment income. less interest payable, showed a substantial advance from £7.1m to £26.5m.

After charging tax of £120m, against £84.1m, and minority interests of £3.3m (£3.1m), Profits before extraordinary items emerged ahead from £168.7m to £279.6m.

After allowing for extra-ordinary items this time of £12.9m—which related to losses on the sale of subsidiaries—net available profits came through at £266.7m, compared with £168.7m. The anti-ulcer drug Zantac continued its success in the U.S. and nearly doubled its sales otal, but had no material effect there. The company says it is a profits.

Group trading profits climbed and has had a good start in

per cent of the market by June. Zantac clocked up total of £430m in the year, up from around £250m.

around E250m.

Excluding Zantac, volume growth in pharmaceutical sales was 15 per cent. The new injectable cephalosporin, ceftazidine, has achieved encouraging results in America where it was learnebed in America. launched in August. It is expected to go on sale in Japan, the largest market for

cephalosporins, during current financial year. Glazo increased its research and development spending dur-ing the year to £93m, an increase of 21 per cent. Current year R and D spending is expected to reach £120m.
The shares closed £1 lower yesterday at £13.

See Lex



Sir Austin Bide, chairman of

Charlie Browns tops forecast with £0.6m

SUBSTANTIAL progress has been made by Charlie Browns car Part Centres in the year ended July 31 1985. Sales rose by 30 per cent to £15.26m while the profit before tax came to £608,000 and beat the USM prospectus forecast of May by £33.000.

The directors recommend a dividend of 1p net, the maiden

payment. Mr Andrew Bairstow, chairman, says the current year has started well with sales showing a satisfactory rise over the com-parable period. And he is optimistic that the trend will con-tinue, leading to further in-creases in sales and profits.

Sales in the year were split as to £9.76m (£7.66m) supermarket and fitting services and £5.5m (£4.06m) petrol. Branches acquired in 1984 had been converted into the Charlie Browns format of self service super-markets for the motorist and were fully integrated into the group; in the second half they started to make satisfactory con-

tribution to profit.

After tax £185,000 (£1,000), the year's net profit came to £423,000 (£209,000) for earnings of 8.08p (4.12p) per share. Last year there were exceptional debits of £103,000. Tax has been reduced by £98,000 as a result of credits relating to prior years. In the current year a new branch has been opened at Darlington, and three have been acquired at Cheadle, Oldham and Sale,

Share offer puts £21m value on Davidson Pearce

BY LUCY KELLAWAY THE PROSPECTUS is published

this morning for an offer for sale of shares in Davidson Pearce, the eighth largest advertising agency in the UK.

Hill Samuel is offering 42m shares at 160p each, to value the company at £20.8m. Following the offer, 34.9 per cent of the shares will be in public hands, the management and staffs stake the management and staff's stake

will be reduced from 60 per cent to 41.6 per cent, while the 40 per cent currently owned by the Ogllvy Group will be lowered to 23.5 per cent. About 400,000 shares are being sold on behalf of the company, the proceeds of which will cover flotation costs of £600,000. Davidson Pearce was formed

Davidson Pearce was formed in 1970 as a result of a merger between Spottiswoode Advertising and Davidson Pearce Berry & Tuck. Since then, it has grown rapidly, and over the past five years billings have expanded at an average compound rate of 19 per cent, while profits have grown by 29 per cent. In 1984, the company made pre-tax profits of £1.7m on billings of £64m, and is forecasting that in the current year profits will be not less than year profits will be not less than £2.1m.
The company's clients span a

broad range of industries, with the largest including British Gas, Brooke Bond Oxo, Flat, and TWA. The largest five clients account for 55 per cent of turn-over, while the largest single image in the short-term than for client accounts for 16 per cent. Its bottom line.

At the offer price the shares are on a prospective p/e ratio of 17, and the forecast yield is 22 per cent. Dealings are expected to begin on October 25.

• comment

One pitfall for investors in advertising agencies is the risk that key people and accounts get up and walk off. For Davidson Pearce, however, this appears to be rather less of a problem than for the rest of the industry. Indeed, the company's main strength is the tenacity with which it has clums, both to its staff and to its clients-most of its senior employees have worked there for over 10 years, while half of the growth in turnover each year has come from existing clients rather than from new clients rather than from new accounts. Such continuity has been reflected in the profit record, where a steady upward trend is forecast to be maintained in the current year. Less risky than others in the sector, Davidson Pearce also seems rather less exciting. Without the creative sparkle of some of its competitors and lacking the promise of aggressive growth if competitors and lacking the promise of aggressive growth if all goes right, the shares seem finely priced on a p/e pitched exactly in line with the sector. The recent addition of M & S to the client list, while underliably a coup for Davidson passes will do more for its

Ivory & Sime launches £12m European fund

Ivory & Sime, the Edinburgh-based investment fund manager, is today launching a £12m fund, Continental Assets Trust, aimed at quoted family-owned busi-nesses throughout Europe. In particular, the emphasis will be on companies listed on will be on companies listed on the various second-tier markets, the equivalent of the USM in the

UK, with market capitalisations of up to £30m.

The most active of these markets at present is the Second Marche in Paris (with 98 members) and the Parallel Market in Holland (with 36 members). Norway has its 16-strong Corridor Market.

Corridor Market.

Additionally the fund will be looking at backing companies about to obtain listings on markets throughout Continental Europe. The fund's aim will be capital growth.

Of the 12m shares on offer, a

Of the 12m shares on offer, a quarter are being taken up by European Assets Trust NV, another Ivory fund, while 5.5m have been guaranteed to clients of Phillips and Drew and Bell, Lawrie, Macgregor & Co, the two brokers to the issue. This leaves 3.5m uncommitted.

According to Mr. Pascel de-

According to Mr Pascal de Salaberry of Ivory & Sime, clients have already made requests for up to 7m shares "so the issue is fully backed," he

five shares purchased and will be convertible into an ordinary at convertible into an ordinary at 100p (subject to adjustments) on April 30 in any year from 1987 to 1996. The shares plus warrants are being sold on a 50p partipaid basis with the balance due on April 15 1986.

Ivory & Sime believes that the underdeveloped Continental markets, where the traditional emphasis has been on bank borrowings rather than equity finance, is going to be changing

finance, is going to be changing over the next five years.

While this may be the firs While this may be the first investment trust spanning small companies across the Continent, it is not totally the first to latch onto the developing second line markets. For those thinking of subscribing for some of the 3.5m uncommitted shares the real question is likely to be the shares' performance before fund is fully placed. Given the quality of Charlotte Square's backing of Charlotte Square's backing there will be no shortage of takers. However, three months out (and with funds still to be placed) even a small amount of selling could push the price down to a discount. As this seems to have been a pattern of late, the Lloyds small German The 12m ordinary shares of months out from flotation for 75p are being offered with warrant at 100p a share. One warrant will be issued for every christmas.

comment

Farnell sees recovery in distribution **business**

Slower growth in Farnell Electronics' main distribution business is expected to give way to gradual improvement next year, say the directors reporting pre-tax profits up 8.3 per cent from £8.75m to £9.47m in the six months to

July 31, 1985. Interim profits for the com-parable period last year were up 25.4 per cent. The group, which distributes and manufactures electronic and elec trical equipment, says the slower growth in the main dis-tribution business is con-tinuing into the current period

The manufacturing subsidiaries have found trading conditions more difficult, par-ticularly with makers of small computers, but the group says their wide range of products has helped offset deficiencies

in this area. Signs of the trend to slower growth were noted in the chairman's report for the year to February 3 1985,
An interim dividend of 1p (0.8p) is being recommended. Turnover was up 12.6 per cent at \$41.97m (537.26m), tax was

£3.95m (£4.08m) and earnings per 5p ordinary share were stated at 4.4p (3.7p).

• comment

Farnell's interim results, al-though slightly lower than most City expectations, were well received in the market. which was evidently relieved that the company has escaped the shocks that have hit others in the sector. The downturn in demand for electreme components has finally worked its way through to the distribution division, hitherto protected by a customer base which buys in small lots for repair and maintenance work. Volume growth may have been about a quarter of that in previous years, while lower prices have resulted in errosion of margins. A similar second half can be expected. In the manufacturing division after a first half in which profits fell, better orders are now coming through and the outlook luto next year is brighter. As was the case in the first half, much of the forecast improvement overall to about £23.5m for the full year will come from investment income: the company currently has about £20m in cash. If the market turns, Farnell, now market turns, Farnell, now equipped with a 25 per cent increase in warehouse space, looks well placed for a rerating. In the meantime the shares seem fully valued on a prospective p/e of 15, assuming a tax rate of 41 per cent

Associates upturn boosts Bryant profits to £11.7m

and property investment group, raised pre-tax profits from fil.3m to fil.68m for the year to May 31 1085. Turnover edged ahead from fil.9.43m to fil.048m £120.48m.

The directors say the com-pany's private homes activity continued successfully with a modest increase in turnover, but the highly competitive condi-tions which exist in the areas in which Bryant operates squeeed margins so that profits were lower at £8.65m (£9.47m). The construction division

The construction division operated efficiently in a difficult market and increased its profits contribution from £0.86m to

The property operation experienced little growth in line with economic conditions and profits fell from £1.53m to £1.16m. Results, however, were distorted by a write-down of two development properties amounting to some £0.5m.

On presents the distorted

on prospects, the directors believe that turnover and profits on construction work will show on construction work with show some increase in the current year from additional contracts in the Midlands and south, while the property contribution is expected to recover.

The overall outcome, they say.

will depend on the performance of the home division. Given continuing availability of mort-gages and a further reduction in interest rates, they expect to report satisfactory results for

report satisfactory results for the year 1985-86.

Pre?tax profits for the year under review were after including a share of associates profits this time of £1.08m, as against £56,000 losses before. Interest receivable rose from £143,000 to £155,000, and interest payable was lower at £569,000 (£641,000).

After higher tax of £5.08m (£3.95m) earnings per £5p share were down from 9.2p to 8.2p. The final dividend is, however, raised to 2.2p (2p) for a total up from 3p to 3.3p net.

HELPED BY a substantial improvement of over £1m in associated companies' results, Bryant Holdings, housebuilder and property investment group, raised pre-tax profits from £11.3m to £11.68m for the year to May 31 1085, Turnover edged ahead from £119.43m to 51.68m for a year earlier. £6.9m a year earlier,

Land prices are still rising but the directors say that with borrowings at only 17 per cent of shareholders5 funds, the company has ample scope to finance this investment.

The company's land bank for homes development now stands at £55.5m (£38.9m) reflecting the confidence it has in the future of this activity.

comment

Bryant's pre-tax figure was in Bryant's pre-tax figure was in line with forecasts but the market appeared to take a dislike to the composition and marked the shares down 4p to Sip. A little less from the associates and a little more from the core activities might have proved more palatable. The performance nevertheless looked creditable: most housebuilders have ance nevertheless looked credit-able: most housebuilders have had a difficult year and for one based in the depressed Midlands to have achieved a profit margin of more than 9 per cent is no mean feat. The construction divi-sion, a small but efficiently run enterprise, also did well to buck the generally gloomy trend and turn in a profit. This year should see some modest all-round im-provement: housebuilding should see increasing benefits from the expression of its activities in the south, where demand is stronger and margins wider, and the Midlands market is also showing signs of recovery. A further in-crease in construction profits combined with an absence of comoined with an absence of property write-downs could see an overall film improvement. After a 35 per cent tax charge the shares are on a prospective p/e ratio of 8 against a sector average of 11.

DIVIDENDS ANNOUNCED

	a	Date	Corre-		Total
	Current		ebougin	2 10L	last
1	payment	payment			
Ash & Lacyint	101	Nov 23	8		20
Attweeds	3	Jan 31	2.5	4	3.5
Barhamint		Nov 25	0.4	_	1,2
Charlie Brownst	. 1	Jan 6	_	1	_
Bryant Holdings		Dec 4		3.3	3
Cradley Print	1.5	Jan 7	1.19	1.5	1.19
Farnell Electronics int.	. 1	Dec 6	0.8		1.8
Glaxo		Jan 3	9.	20	13
Hammerson Prop'y int.		`	2	-	8.5
Medminster	3.4	Jan 6	3.1	5.35	4.85
Jehn Mowlemint.		Jan 2	2.2	5.85	11.93
Ramus Hidgs:	3.75	Dec- 3	3.75	5.25	5.25
Senior Engineering int.		Nov 29	0.75		1.5
TSW	1,15	_	1	1.7	1.5
UEIint.	. 2	Dec 2	2	_	5.25
Dividends shown in pend	e per sha	are except	where	otherwis	e stated

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶To reduce disparity. ||Carries scrip option.

Sterling moves hit Hammerson

again interim dividend of 2p net to £61.09m, while rents payable (£1.87m).

This advertisement compiles with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or imitation to the public to subscribe for or to purchase, any securities.

FOR THE first half of 1985 net profit attributable at Mammerson to take this in shares. The final for 1984 was 6.5p.

Development Corporation which operates in the UK and overseas has shown some improvement, from £9.87m to £10.28m. Earnings rose from 6.75p to 6.9p.

But if currency rates had remained at those prevailing at the end of 1984, the profit attributable would have been up to £13.5m and earnings to 9.06p. Shareholders receive a same again interim dividend of 2p net property outgoings to to take this in shares. The final for 1984 was 6.5p.

During the past months the company has been active in the UK and in particular has completed the purchase of Dominant House, Queen Victoria Street, EC, has sold subsequent to the half year 1-2 Royal Exchange Buildings, EC, following substantial refurbishment,

In the half year gross rental minorities £2.45m (£416,000) to leave the net attributable at £10.28m (£9.87m). There is an extraordinary surplus of £2.74m (£1.87m).



Britannia Building Society

£75,000,000

Floating Rate Notes Due 1993

Issue Price 100 per cent.

The following have agreed to subscribe or procuse subscribers for the Notes:-

Hambros Bank Limited

Banque Bruxelles Lambert S.A. CIBC Limited

Baring Brothers & Co., Limited Commerzbank Aktiengesellschaft **Credit Suisse First Boston Limited**

Dai-Ichi Kangyo International Limited Salomon Brothers International Limited Fuji International Finance Limited Tokai International Limited

The Union Discount Co. of London p.l.c.

The issue is being arranged in conjunction with:

Fulton Packshaw Limited

Crédit Lyomais

Strauss Turnbull and Co. Ltd.

S. G. Warburg & Co. Ltd.

Application has been made to the Council of The Stock Exchange for the Notes constituting the above issue to be admitted to the Official List.

Interest will be payable quarterly in arrear in January, April, July and October, except that the first payment of interest will be made in April 1986. The rate of interest for the first Interest Period is 11½ per cent. per

Listing particulars of the Notes and of the Society are available in the statistical services of Extel Statistical Listing particulars of the rootes and of the Society are available in the statistical services of Extel Statistical Services Limited. Particulars may be obtained during usual business hours on any weekday (public holidays excepted) from the Company Amountements Office of the Quotations Department of The Stock Exchange, Thrugmorton Street, London EC2P 2BT, up to and including 17th October, 1985 or during usual business hours on any weekday (Saturdays and public holidays excepted) at the addresses shown below up to and including 29th October, 1985:—

Britannia Building Society, Leek Head Office, Newton House,

ffordshire ST13 5RG

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de Zoete & Bevan, 25 Firebury Circus, London EC2M 7EE

Hambros Bank Limited. 41 Richo London EC2P 2AA

15th October, 1985

Troubled Wm Boulton trims losses to £1.18m

William Boulton, holding group with interests including machine manufacturing and foundry work, has cut its pre-tax losses to £1.18m from £1.33m in the year to June 30.

Directors say the auditor.

Directors say the auditors' report confirms that the accounts have been prepared on a going-concern basis on the assumption that adequate banking facilities

that adequate banking facilities will continue to be available.

Boulton, whose affairs are being managed by Mr John Briggs, a "company doctor," has continued its programme of reorganisation throughout the year including the disposal of a number of loss-making subsidiaries.

Mr Briggs, in his review, says he believes the group is much fitter than it was a year ago following the completion of the greater part of the rationalisation programme.

He says the board sees it as

He says the board sees it as its priority to complete the pro gramme as soon as realistically possible, giving much thought to the future direction of the

the future direction of the group.

The board is again unwilling to speculate on the likely outcome of the current year.

Turnover was down at £20.36m against £22.83m. Exceptional costs were £767,000 (£575,000) and extraordinary debits rose to £1.87m (£964.000). The latter figure includes net losses

CRADLEY PRINTING, Wes Midlands-based lithographic printer, doubled pre-tax profits to £1.05m for the year ended June 30 1985. This compared with £530,000 previously which included £48,000 from Chester Pand Distance with the compared to the control of th included £48,000 from Chester Road Printers which has ceased trading. Turnover increased from £6.95m to £8.23m. After tax of £314,000 (£172,000) earnings per 10p share were ahead from 3.2p to 6.8p. The year's dividend is raised from 1.19p to 1.5p net. Net assets per share advanced from 35.3p to 41.2p.

> Wells Fargo & Company U.S. \$100,000,000

Floating Rate Subordinated Notes due 1997

In accordance with the arrivisions of the Notes, notice is hereby given that for the Interest period 15th October, 1985 to 15th January, 1986 by Notes will carry an Interest the Notes will carry an Interest Rate of 8½% per annum. Interest payable on the relevant interest payment date 15th January, 1986 will amount to US\$217.22 per US\$10,000 Note and US\$1,086.11 per US\$30,000

Agent Bank: Morgan Guaranty Trust Company of New York London

LADBROKE INDEX 1,028-1,027 (+5) Based on FT Index

Tel: 01-427 4411

Minority interests rose to £12,000 from £4,000 while interest payable increased from £633,000 to £636,000. NOTICE OF PREPAYMENT

The Sumitomo Bank, Limited (Incorporated with Limited Liability in Japan) U.S. \$25,000,000

Prepayment Date.

Callable Negotiable Floating Rate Dollar Certificates of Deposit No. SB 140001 - 140050 issued on 20th November, 1981.

Maturity 28th November, 1986, Callable in November, 1985.

Notice is hereby given that in accordance with Clause 3 of the Certificates of Deposit (the "Certificates"), The Sumitomo Bank, Limited ("the Bank") will prepay all outstanding Certificates on 25th November, 1985 (the "Prepayment Date"), at their principal amount. Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank.

Interest will ceese to accrue on the Certificates on the

Temple Court, 11 Queen Victoria Street, London EC4N 4TA.

Granville & Co. Limited

8 Lovas Lane London EC3R 8BP Telephone 01-621 1212 Over-the-Counter Market

							P/I	Ē
					Gross	Yleid	-	Fully
High	Low	Company	Price	Change	div.(p	3 %	Actual	taxed
146	123	Ass. Brit. Ind. Ord	131	_	5.6	5.0	7.3	8.7
161	135	Ass. Brit Ind. CULS	137	_	10.6	7.3		
77	43	Airsprung Group	55	_	6.4	11.6	9.2	12.0
46	26	Amitage and Rhodes	45	_	4.3	9.6	5.6	6.7
159	108	Bardon Hill	157	_	4.0	2.0	19,9	20.7
64	42	Bray Technologies	61	_	3.9	6.4	7.4	3.8
201	155	CCL Ordinary	156		12.0	7.7	3.8	3.6
152	104	CCL 11pc Conv. Pf	104	_	15.7	15.1	_	
130	10	Carborundum Ord	126	-1	4.9	3.9	6.2	9.B
:92	83	Carborundum 7.5pc Pt.	92		10.7	11.6		
92 73	46	Deborah Services	50x		7.0	14.0	5.2	8.8
650	182	Frank Horsell	55Q	+5	1.4	0.2	15.3	20.5
529	170	Frank Horsell Pr.Ord.87	525	÷š	11.9	2.2	12.5	16.8
32	21	Frederick Parker	727		· ·	=		
83	33	Green Diele	79	_	=	_	3.2	5.9
50	20	Ind. Precision Castings	41	_	3.0	6.6	11.2	12.1
218	177	Isis Group	190	_	15.0	7.9	14.6	21.8
124	101	Jackson Group	108	_	5.5	5.1	7.2	7.2
285	213	James Burrough	248	_	15.0	6.O	7.8	7.8
94	83		93	=	12.9	13.9	1.0	
95	71	James Burrough SpcPf. John Howard and Co.	87	=	5.0	5.7	6.9	10.9
225	100		180	=	3.0	3.1	6.6	6.9
100	30		- 90	=	15.0	167		
650	300	Linguaphone 10.5pc Pf. Minihouse Holding NV	570x		6.9	12	24.9	23,7
120	31	Robert Jenkins	80	_		- 1-2	10.4	22.8
60	28	A HAH	37	=	-		10.4	
82	81		68×		5.0	7.4	3.4	7.9 6.2
444		Torday and Carlisle	320	• =	4.3	1.3	18.2	17.9
	320	Trevian Holdings	34	+1	2.1		9.2	9.0
34 113	17	Unitock Holdings	110	<u> </u>	8.6	5.2	6.2	7.5
	81	Weiter Alexander	200	_	17.4	7.7	5.7	9.8
247	195	W. S. Yeates				8.7		
Pr	ices :	and details of services no	W EVE	ilabia qi	Prest	el, pa	ge 4814	16



Scandinavian Finance B.V.

U.S.\$60,000,000 Floating Rate Serial Notes due 1993

Guaranteed on a subordinated basis by Scandinavian Bank Limited

For the six months

15th October, 1985 to 15th April, 1986 In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 8% per cent and that the interest payable on the relevant interest payment date, 15th April, 1986 against Coupon No. 6 will be US\$436.04 per Note.

Agent Banks

Morgan Guaranty Trust Company of New York London

THE MITSUI BANK, LIMITED U.S.\$ 20,600,000

NOTICE OF PREPAYMENT
Floating Rate Certificates of Deposit Issued 23rd November, 1983,
Maturity 28th November, 1986 Callable November 1985
Notice is hereby given in accordance with Clause 3 of the Certificates of Deposit ("the Certificates") that The Mitsul Bank, Limited will prepay all of the outstanding Certificates on 25th November, 1985 at their principal amount.
Payment of the principal amount together with accruad interest will be made on the prepayment date against presentation and will be made on the prepayment date against presentation and surrender of the Certificates at the London Office of The Mitsui Bank, Limited, 34-35 King Street, London ECZV 8ES.

Interest will cease to accrue on the Certificates on the prepayment

Mitsui Finance International Limited Agent Bank 15th October, 1985

US\$75,000,000 The Bank of New York Overseas Finance N.V. (Incorporated with limited liability in the Netherlands Antilies)
Guaranteed Floating Rate Subordinated

Notes due January 1996 nally Guaranteed, on a Subordinated B Payment of Principal and interest by The Bank of New York Company, Inc.

Incorporated in New York, USA)

Notice is hereby given that the Rate of Interest has been fixed at 85/k% p.a. and that the Interest payable on the relevant Interest Payment Date, January 15, 1986, against Coupon No. 8 in respect of US\$10,000 nominal of the Notes will be US\$212.43,

October 15, 1985, London

By: Citibanik, N.A. (CSSI Dept.), Reference Agent

CITIBANCO

nc :863

If you don't make dust, you eat dust.



Our view of the future is unobstructed by the debris of monopolistic thinking. We have better things to do.

That's why we settled our part of both MCI antitrust suits out of court. That's why our people pioneered equal access. And, that's why we were the first to offer equal access in a way fair to all.

In our region, long distance companies are free to compete. And, as a result, our customers are free to choose.

We believe the place to compete is in the marketplace, not in the courts.

Start thinking of us as a growth company. If you haven't already, you will soon. We are not a utility. And we are not acting like one.

For our 1984 Annual Report, call 1-800-828-2400 or write US WEST Report, 7800 East Orchard Road, Englewood, Colorado 80111.

USWEST

Mountain Bell. Northwestern Bell. Pacific Northwest Bell. USWEST Information Systems

14 October 1985

THE CLYDESDALE (TRANSVAAL) **COLLIERIES LIMITED**

(Incorporated in the Republic of South Africa) A MEMBER OF THE GOLD FIELDS GROUP

ISSUED CAPITA	L: 10,097,721 share	es of 50 cents each
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	Ouarter	Ouarter	months
	ended		ended
		ended	
	30 Sept	30 June	30 Sept
	1985	1985	1985
Oppo	1763	! 703	1703
OPERATING RESULTS (TONS 000)			
Total mined	2,203	2.092	6.247
Tons sold	2,177	1,989	6,094
FINANCIAL RESULTS (R000)			
Sales revenue	36 430		00 (7/
	30,620	29,266	88,626
Cost of sales	26.017	24.878	73,940
Gross profit	4.603	4.388	14.686
Court profit			
Sundry revenue-net	2,070	1,797	5,367
-			
Profit before tax	6.673	6,185	20.053
Tax			
IAX	4,066	3,472	11,670
PROFIT AFTER TAX	2,607	2.7 13	8.383
THE PROPERTY OF THE PARTY OF TH	_,		0,303
.		_	
Capital expenditure	66	5	88
Dividend		5.049	5.049
	_	2,077	
Loan levy refund	_	_	240
NOTES:			
<u>-</u> 			

 Capital Expenditure. The unexpended balance of authorised capital expenditure at 30 September 1985 was R2.7 million.
 Dividend. A dividend (No. 144) of 50 cents per share declared on 13 June 1985 was paid to members on 7 August 1985. Proposed Merger of the Operations of Apex and Clydesdale The date for the appeal to be heard by the Appellate Division against the judgments on the applications by Apex to lead further oral evidence and for the sanction of the Scheme of

Arrangement has yet to be determined by the Court.

On behalf of the Board

A. M. D. GNODDE

M. R. FULLER-GOOD

Directors

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

BRITISH BENZOL CARBONISING PLC

(Registered in England - No. 986465) SHARE CAPITAL

Ordinary Shares of 10p each

13 per cent. Convertible Unsecured Loan Stock 1995

The issue has been underwritten by The English Association Trust Limited. The Convertible Stock has been provisionally allotted to shareholders of the Company on the register at the close of business on 9th October 1985 on the basis of £1 nominal of Convertible Stock for every 17 Ordinary Shares of 10p sech then held. The conversion price will be 15p per Ordinary Share and the Conversion Period will be the month of August in each of the years 1989 to 1995.

The Council of The Stock Exchange has admitted the Convertible Stock to the Official List. Dealings, nil paid, are expected to commence on 15th October 1985.

Listing particulars incorporating details of the Convertible Stock are available in the Extel Statistical Services and copies may be obtained during normal business hours up to 16th October 1985 from the Companies Announcement Office of The Stock Exchange and up to 29th October 1985 from:-

British Benzol Carbonising PLC 10 Upper Berkeley Street Portman Square London W1H 7TE

Salisbury House London Wall London EC2M 5QS

tully paid £2,243,224

15th October 1985

Scottish & Newcastle to sell whisky interests

Scottish & Newcastle Breweries has agreed to sell its Scotch whisky interests—with brands including The Original Mackinlay—to Invergordon Distillers (Holdings) in a cash and shares deal worth about \$18.5m.

deal worth at out 118.5m.

S & N's whisky interests are carried out through Charles Mackinlay and Co, which operates two mait whisky distilleries—at Glenallachie on Speyside and on the Isle of Jura—and a blending and bottling plant at Leith, near Edinburgh.

S & N will receive 3.4m new Inversordon shares—worth

Invergordon shares — worth about £4.9m at Invergordon's unchanged closing price of 1559 last night—for the assets and goodwill of the company, as well as about £500,000 in cash. Invergordon will not a short £1500. gordon will pay about £13m (plus interest charges) over the next four years for Mackinlay's stocks.

London &

Edinburgh

acquisition

pre-tax profits for the financial year to April 1987 exceed £300,000.

London & Edinburgh has the right to buy further Burlington shares for a nominal consideration if pre-tax profits for each of the financial years to April 1987,

the financial years to April 1987, April 1988 and April 1989 fall short of £470,000.

In addition, London & Edinburgh will be entitled to receive a gross preferred ordinary dividend of £113,000 for the period to April 1986 and £185,000 a year for each of the following three years.

pears.

Burlington's net assets on July 31 were £221,806. Its pretax profits for the year to April totalled £232,215

WHITWORTHS HOLDINGS has bought Helland Foods, Lincoln-shire fresh and frozen foods distributor, for a maximum con-

distributor, for a maximum consideration of £360,000. The price will be met by an initial cash payment of £70,000 and the allotment of £7,750 shares, followed by a further £10,000 and a profit-related issue of further shares to a maximum of £50,000. Holland

made a net profit of £39,000 in the year to March 31 and had net

assets of £74.000 at that date.

The merger will increase Invergordon's blended whisky output by the equivalent of nearly Im cases a year—a rise of 40 to 50 per cent—and both S & N and Invergordon yesterday hailed the deal as good for

each company. Invergordon has grain whisky distilling facilities (blended whisky is two-thirds grain whisky) while Mackinlay has in the past had to buy grain whisky

from outside.

Invergordon, for its part, has traditionally lacked such established brand names as it gains from yesterday's deal. Apart whisky.

The deal with give S & N a from The Original Mackinlay, 14.7 per cent shareholding in S & N's blended brands include Invergordon. Carlton Industries, a subsidiary of Hawker Siddeley, Glen Cova and McPherson's holds 78.2 per cent of Invergordon and this will fall to 65 per cent on completion of the deal.

S & N will continue to be in-S & N's blended brands include Legacy 12 years old De Luxe, Glen Cova and McPherson's Glen Cova and McPherson's Cluny, which has a significant presence in the U.S. It also makes Isle of Jura single malt. S & N will continue to be involved in the business since it

volved in the business since it will promote and develop these brands in Britain and the U.S. under a trading agreement.

Mr Allick Rankin, S & N's chief executive, said Mackinlay had not been contributing enough to the group, in terms of either profits or asset utilisation. "We had to get bigger or get out and this deal gives us the best of both world."

Invergordon said the agreement would mean imroved utilisation of its production facilities and increase its share of the world market for bleuded whisky.

Mowlem Tech. floated to allow substantial growth

London & Edinburgh Trust, property developer and investor, is acquiring 51 per cent of Surlington Insurance Services for £1.46m in shares, with a payment of a further £800,000 in shares dependent on Burlington's with its expansion.

Tentative indications are that
Technology will command a total market capitalisation in the \$40-250m range, converting at \$1.40 to the £ and represent about 160p-200p per Mowlem ordinary share. shares dependent on Burlington's profits performance.

The initial consideration has been satisfied by the issue of 408,666 new shares in London & Edinburgh, of which 239,786 have been placed. The further consideration of £600,000 would become payable if Burlington's pre-law profits for the financial

ordinary share.

In the six months ended June
30 1985 the group profit before
tax improved from £3.4m to
£4m. There was continuing competition for UK 2,-d international
contracting, but despite the outlook in the industry prospects for
the group in the full year look
encouraging, says the chairman
Mr Philip Beck. Technology
made further satisfactory
procress.

progress.

No contribution is taken from the property division. The development at Welham Green, Hatfield, Tesco, with other completions, will provide the property component of the full year's results. In 1994, total group profit before tax was £11m. The current interim dividend is being raised by 1.8p to 4p net per share. This is to provide a more even distribution with the final (9.78p last time) but the increase should at least be reflected in the year's total, the chairman says.

reflected in the year's total, the chairman says.

Turnover in the period moved up from £175m to £195m but operating costs showed a more rapid increase to leave the operating profit £200,900 down at £3m. But there was £300,000 net interest receivable,

Explaining the proposed flotation of Technology, Mr Beck says this division's profits arise principally in the U.S. and its management is based in Chicago. The

REPORTING improved interim business is expected to grow profit, John Mowlem discloses substantially in the future, in plans to offer up to 30 per cent part by acquisition, and it is of the shares in Mowlem Technology to the U.S. public to help direct access to the U.S. capital direct access to the U.S. capital markets. The offering is planned to take place before the end of the year, subject to legal formalities and market condi-

> In a reference to London City Airport, the chairman says Mowlem has signed heads of agreement with the co-investors. The joint venture will be so constructed that Mowlem costs to date will attract a premium and the group will retain a significant shareholding.

comment

John Mowlem has moved up a gear and dispelled the cloud gear and dispelled the cloud that hung over it following the 1984 results. The flotation of the technology unit on the U.S. Over-the-Counter market will yield around £13m—most of which is to be ploughed into building up the construction and property activities. It will also have the effect of reducing predator interest in the group. The news in the UK is also positive. Canary Wharf's £2bn develop-ment scheme is a major shot in the arm; as is the go shead on the Stolport (in which Mowlem plans to take a long term stake of some 40 per cent). In the first half there were no property sales revenues but in the closing six months several completions are expected. The shares leapt 38p to 314p on the technology amouncement. If £13m (including £3m from property) is achieved in the full year, the shares are trading on a prospective multiple of £1. tive multiple of 91. Surely a little modest for a quality com-nany with so many irons in the

IN BRIEF

Dublin-based builder, timber importer, wholesale distributor and fuel merchant, has received an approach from Western Inter-pational Trust Company which may or may not lead to a firm intention to make an offer. The company advised shareholders to take no action pending a further announcement.

PICCADILLY THEATRE: On October 11, Maybox Group purchased 47,305 ordinary shares in the company, including 35,250 from Lord Delfont, at 1251p per share. Three days later Maybox purchased a further 35,250 ordinary from Mr N. G. Virani at 1251p ner share. These purchases 125 p per share. These purchases bring the total holding of Maybox to 840,589 ordinary shares (93.4 per cent).

ters, the ailing UK tanker company, has reached formal agree reschedule \$44m (£32m) of debt. The company expects to announce details of the agreement within the next two to three weeks. Its shares are currently suspended at 2p valucurrently suspended at 2p valu-ing the company at £1.12m. As part of the agreement the largest of LOFs' three remaining vessels, the 138,000 dwt tanker Overseas Argonaut, is being sold

SAMUEL PROPERTIES has sold its head leasehold interest in 72-74 Brompton Road for 23,500,000. The premises occupy a prime position facing Harrods. The interest was acquired in 1977 for £773,000 and has been sold with the benefit of an underlease granted to Road at the

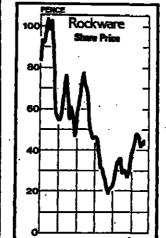
ACCESS SATELLITE Inter plier of work platforms for the construction industry, has set up a joint venture company in a joint venture company in Australia. Group Property Ser vices Pty has purchased a 50 per cent stake in Access Satellite In-ternational Pty for a considera-tion of A\$1.15m (2575,000). The remaining 50 per cent will con-tinue to be held by Access Satellite.

BRITISH SYPHON Industries has bought Delta Paper Sales, Essex-based paper merchant, for an expected maximum price of £240,000, to be paid in cash. For the year to end-November 1984 Delta made a profit, before in-terest, of £99,000 and had net ssets of £114,000.

GROSVENOR Venture Managers announces that on the initial closing date of the offer for Grosvenor Technology Fund. have been received. Having raised in excess of the original minimum target, the sponsors, County Bank and Grosvenor Venture Managers have extended the fund's closing date to November 26.

Rockware climbs to £528,000 at halfway

SALES at Rockware Group, glass and plastic container manufacturer, have been constrained by increasing imports, by excess production capacity—which is growing again—and by a weak-ening in the selling price increases which the industry needs. Moreover, the industry's stocks of finished goods as a whole are continuing to increase. Pre-tax profits in the six months to June 30 1985 rose from £184,000 to £228,000 on http://doi.org/10.1001/10. turnover down from £38.44m to £56.63m. The glass container division saw a fall from £49.73r to £47.62m in turnover but



perating profits in this division ncreased from £794,000 to

Turnover in the plastics divi-sion rose from £8.1m to £8.17m sion rose from 25.1m to 25.1m to with operating profits up substantially from £186,000 to £471,000. In engineering, operating profits were lower at £149,000 compared with £164,000 from turnover up from £615,000 to £838,000. Operating profits overall were

£2.19m against £1.14m—there were exceptional credits last time of £563,000. Sir Peter Parker, the chair-Sir Peter Parker, the chairman, says the current glass container scene is disappointing. The company has decided since June 30 that the rebuilds of two furnaces at Bagley factory at Knottingley will not take place when they become due in 1986. In plastics, both Norwich and Kinston are producing good. Kingston are producing good results,

UEI profits soar but dividend held

July.
On turnover 17 per cent higher at "£42.62m (£36.34m), pre-tax earnings rose by 24 per cent from £4.61m to £5.71m. From earnings per 10p share, up from 5.1p to 6.5p, the interim dividend is held at 2p "to provide finance for continuing growth within the group." group."

Last year there was a total payment of 5.25p from taxable earnings of £10.41m.

The electronics division \$3W

The electronics division saw profits improve from \$4.01m to \$4.73m on turnover up at \$28.14m (£24.71m), International 23.14m (224.71m), international sales were said to be responsible for the increase.

In the engineering division, tarable earnings rose to £1.92m (£1.3m) on turnover up at £1.48m (£11.63m). The high-light was the 18 related Comment

til448m (£11.63m). The highlight was the 16-valve Cosworth
version of the Mercedes 190
which was very successful in
Europe and well received on its
introduction into the UK.
During the period Dunsley
Heating was sold and Quest 80,
which contributed a loss last
vear, was closed. Negotiations
are at an advanced stage to sell
J. Fisher, which is operating
modiably, to Rockware Group.
The outstanding 50 per cent
stake in Quantel KK Tokyo was
acquired. The directors say that in the longer term the uncertainties

about the dollar are a cause for concern, with about 60 per cent of group sale overseas.

GROWTH CONTINUED at UEL, the Surrey-based electronic and engineering holding company, in the six months to the end of the six months the si with tax taking 22-25 (12-25), no minority interest, against last year's 256,000, and extraordinary debits of £450,000 (nil), attributable profits were up at £2.93m (£2.73m).

comment

A matter-of-fact statement con-taining a currency warning and an unchanged dividend knocked the UEI shares yesterday despite the UEI shares yesterday despite a set of interim figures every bit as good as market estimates. The results underline UEI's strategic shift towards its core activities in engine design and image processing while shutting down and selling fringe and lower technology parts of the group. Much of the leg work has already been done capital spending has of the leg work has already been done, capital spending has peaked, and gearing, a worrisome 78 per cent at the last balance sheet date, should end the current year at about 55 per cent. After taking account of the costs of setting up Cabletime, the underlying rate of growth in the electronics division was 25 per underlying rate of growth in the electronics division was 25 per cent, a rate which, failing a major decline in the dollar, appears to be sustainable. Despite recent disposals that make this year's engineering profits not comparable with last year's, a strong advance' was made by Cosworth for which prospects appear excellent. Asseming profits of £12.5m this year the prospective p/e ratio nger term the uncertainties year the prospective p/e ratio bout the dollar are a cause for is about 14, at 240p, which does necern, with about 60 per cent of group sale overseas.

Operating profit came out at for growth.

TSW falls to £1.43m

subscription from £2.22m to £2.66m helped reduce pre-tax profits at TSW-Television South West Holdings in the year to July 31 1985 despite a substantial fall in the Exchequer Exchequer Levy fell from £1.19m to £502.000.

months ago, when growth in advertising revenue had slowed down across the industry.

The company says income from the sale of airtime continues to recover satisfactorily and growth is again ahead of the

AN INCREASE in the Channel 4 (1p), making 1.7p (1.5p) for the

West Holdings in the year to July 31 1985 despite a substantial fall in the Exchequer Levy.

Pre-tax profit fell to £1.43m (£1.72m) although profit after tax is higher than last year at £873,000 (£857,000). The board described the result as better than was considered possible six months ago, when growth in advertising revenue of £22.62m (£21.07m). The Exchequer Levy fell from £1.19m to £802,000. In the chairman's review last year Mr Brian Bailey, who was the beginning of this year, said the board was continuing to the board was continuing to the would increase income not advertising revenue of £22.62m (£21.07m). The Exchequer Levy fell from £1.19m to £802,000. In the chairman's review year Mr Brian Bailey, who was appointed executive chairman at the beginning of this year, said the board was continuing to the would increase income not advertising revenue of £22.62m (£21.07m).

down across the industry.

The company says income from the sale of airtime continues to recover satisfactorily and growth is again ahead of the network.

The final dividend is 1.15p the final dividend is 1.15p the subject to the punitive levels of the Exchequer Levy.

The Exchequer Levy.

The Exchequer Levy.

There is an extraordinary debit of £33,000 (nil) representing compansation, while earnings per 5p share are stated by the company at 4.04p (3.97p).

Tax fell to £560,000 (£862,000).

Redemption Notice

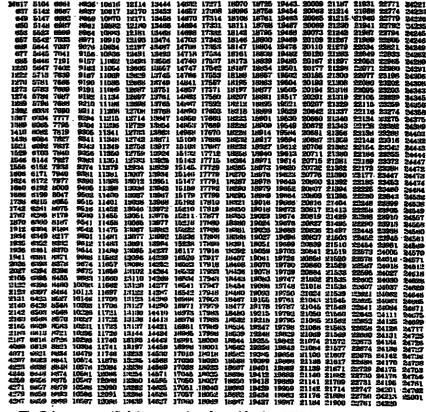
Hamersley Iron Finance N.V.

8% Guaranteed Debentures Due 1987

Unconditionally Guaranteed as to Principal and Interest by HAMERSLEY HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of (formerly First National City Bank), as Trustee, has selected for redemption on November 15, 1985, (the "Redemption Date") at the principal amount thereof (the "Redemption Price"), through the operation of the Sinking Fund provided for in the said Indenture, \$985,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING



The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the Receive and Deliver Windows of Citibank, N.A., Trustee under the Indenture referred to above, 111 Wall Street-5th floor, New York, New York 10043 or (b) subject referred to above, 111 was street—our moon, new torse, frew tors, atoms or (a) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt (Main), Geneva, London (Citibank House), and Paris and the main office of Banque Générale du Luxembourg S.A. in Luxembourg, the Company's Paying Agents, Payment at the offices referred to in (b) above will be made by check drawn on, or transfer to a dollar account maintained by the Holder with, a bank in The City of New York. On the Redemption Date such Debentures shall become due and payable at the Redemption Price and on and after such date. interest on the said Debentures will cease to accrue and the coupons for such interest shall be void.

The Debentures specified above should be presented and surrendered at the offices set forth in the preceeding paragraph on the said date together with all interest coupons maturing subsequent to the Redemption Date. Coupons due November 15, 1985 should be detached and presented for payment in the usual manner.

For HAMERSLEY IRON FINANCE N.V. By CITIBANK, N.A.

October 15, 1985

The following Debentures previously called for redemption on November 15, 1983 through the operation of the Sinking Fund have not as yet been presented for payment. 6810 6813 6813 6816 6822 8752 8756 8757 9973 9975

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. If Debentures are presented in the United States, please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting

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(800)-332-CDC..... Options Exchange Continental U.S. call (312) 786-7405.

THE OPTIONS EXCHANGE

Closures as

profits fall

by 24% at

Ash & Lacy

DISAPPOINTING demand, leading to tighter margins, resulted in a fall in pre-tax

profits for Ash & Lacy in the six months to June 28. However, action has been taken to deal with problem areas

and with the second half beginning well directors ex-pect an improvement in the second six months.

second six months.

On turnover up by 8 per cent to £17.82m (£16.5m), pre-tax profits fell 24 per cent from £1.56m to £1.19m. Earnings per share fell from 20p to 15.6p, but the directors declared an improved interim dividend of 10p (8p) to reduce disparity.

They add that they do not expect the total payment to be higher than last year's 20p on pre-tax earnings of £2.87m.

We know Vernon chair.

Mr Fane Vernon, chairman, says it became evident that the Flospan relocatable building company was not going to achieve the expected success and was closed. It was also realised that there was no longer sufficient demand in the London area for two galvanising plants and the Blackwall plant was closed, concentrating activity at Poplar.

An extraordinary item of £297,000 is included to cover

the full closure costs, net of tax. Mr Vernon says the group will benefit from elimination of Flospan lesses, running at £150,000 a year,

and an improvement in the profitability of the London

galvanising operation.
Operating profit came out at £1.13m/1.49m) with other income less interest payable

adding £56,000 (£64,00). The

tax charge was £529,000 (£721,000), leaving profit for

at Poplar.

Attwoods earns over £3m from U.S. operations

The second secon

WITH THE performance from the U.S. exceeding expectations, and providing profits of £3.18m, and providing profits of £3.18m, the Attwoods group of sand and gravel extractors and waste disposal specialists has made a total pre-tax profit of £5.02m in the year ended July 31 1985. This compared with £1.7m which was earned entirely in the UK.

The U.S. result stems from Industrial Waste Services Inc during the nine months since its purchase last November. The directors are confident it will continue to expand revenues and continue to expand revenues and profits in the current year, and it will be backed up by County Sanitation Inc, which was pur-chased in August

chased in August.

The directors consider that the latest acquisition coupled with continuing expansion in IWSI will substantially increase profits anticipated from the group's U.S. operations. anticipated from the group's U.S. operations.
Overall, the first two months of the current year have seen satisfactory trading both at home and in the U.S.

and in the U.S.

At home, Drinkwater Sabey has again increased its trading profit despite the severe winter. Available reserves of sand and gravel and landfill capacity have further increased during the year, and in particular planning permission for extraction and subsequent landfill has been granted at Pickeridge Farms, at Fulmer in Bucks.

County Sanitation operates a gravel and landfill capacity have further increased during the year, and in particular planning permission for extraction and subsequent landfill has been granted at Pickeridge Farms, at Fulmer in Bucks.

County Sanitation operates a waste collection business in Falm five counties. Group turnover for the year shot up from £10.26m to £32.17m. After tax £1.82m (£898,000) the net profit comes to £2.21m (£894,000), for earnings of 11.05p (adjusted £3p) per share. The final dividend is lifted to 3p for a net total of 4p (3.5p).



Mr David Wickens chairman

Beach County, Florida. Acquisition cost was \$13m funded by a term loan from Citicorp (USA) Inc. This purchase is of major significance since it is adjacent to existing IWSI operations, and consolidates the company's interests in Florida by representation in each of that state's top five counties.

Group turnover for the year

The British Car Auction Group has a substantial minority in Attwoods.

Attwoods' pre-tax profit was a

comment

whisker or two above forecasts but it was the 60 per cent rise in earnings per share which took the share price up 7p to 120p yesterday. Another befty rise seems assured next time round, seems assured next time round, for apart from anything else the current year will include an extra quarter from Industrial Waste Service and a first-time contribution from County. True, the interest charges would probably look horrific if we could only see what they were, with the IWS and County acquisitions taking gearing up to about 350 per cent, but Attwoods' strategy is instiffed by the fact that it is is justified by the fact that it is is justified by the fact that it is its U.S. activities which have emerged as the major profit generators, even after interest costs. Florida's population increase combined with benefits from the integration of IWS and County with some smaller acquisitions will bring strong organis growth this year. The UK operations will look rather tame by comparison but will show an improvement as extra aggregates tonnage comes on line. With £6.5m well within reach the shares are on an undemanding p/e ratio of 9.

adjusted by the group to take into account a subdivision in June 1985 of 12.5p shares into five 2.5p shares. The figures have also been adjusted to exclude those relating to Agency Estate Investments. Turnover was £5.71m

Turnover was £5.71m (£1.34m), tax represented a charge of £337,000 (£81,000) while earnings per share were stated at 4.55p (2.35p).

The results include for the first time a full contribution from all the group's subsidiaries.

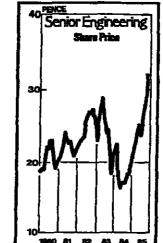
Senior Engineering doubled to £2.35m

ALTHOUGH Senior Engineering Group achieved a much better start to the year, compared with last, the directors say there is room for further improvement. room for further improvement.
From turnover almost unchanged at £49.56m in the first half of 1985, against £49.25m, pre-tax profits more than doubled from £1.03m to £2.35m. Earnings per 10p share rose from 0.79p to 1.38p and the interim payment has been raised to 0.825p (0.75p).
Last there was a total payment of 1.5p from pre-tax profits of £2.87m.
Directors of this Watford-

Directors of this Watford-based trader in engineering products say that the period was products say that the period was still affected by the miners' strike and although the trading in the light engineering division was improving, a return to satis-factory levels of activity was unlikely until towards the end of the year. In addition the comthe year. In addition the company had not yet corrected the poor performance of the American companies. Action was being taken but it will be some time before the benefits would be seen.

However they add that a However they add that a bettier trading performance was generally being achieved by the UK companies. This reflects the benefits of the rationalisation of the past two years and improved orders levels compared with the beginning of the year.

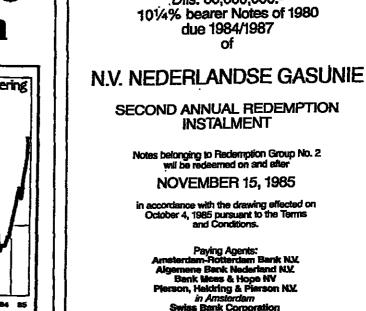
It is expected that the second half will be similar to the first and a satisfactory outcome compared with last year is forecast.



comment

Senior Engineering's pilgrimage to the City yesterday was indeed a rare event, prompted presumably by a new managing director with a story to tell. And after some years of indifferent results the partial recovery in the first half was a welcome tale bearing in mind that the miners' strike still overhung much of the interim period. Profits might now get as high as £5m pre-tax, get as high as £5m pre-tax, assuming just a little help from the U.S. which continues to be the most troublesome part of half will be similar to the first and a satisfactory outcome compared with last year is forecast.

Operating profit came out at \$3.23m (\$2.22m) with further income from investments of £379,000 (£213,000). The pre-tax figure was struck after exceptional charges of £360,000 (£323,600) and interest payable, which was cuf from £1.08m to £899,000. The exceptional charges during the period related to UK divisions plus a few new faces at the top is Senior's answer to its troubles. But if the remedy is as straightforward satisfactory outcome value for the most troublescome part of the us. S. Senior's and untegrating operations as that top is Senior's answer to its troubles. But if the remain slightly cautions about progress



U.S. \$200,000,000

Dfls. 60.000.000.-

101/4% bearer Notes of 1980

due 1984/1987

SECOND ANNUAL REDEMPTION

INSTALMENT

Notes belonging to Redemption Group No. 2 will be redeemed on and effer

NOVEMBER 15, 1985

in accordance with the drawing effected on

October 4, 1985 pursuant to the Terms and Conditions.

Paying Agents: sterdam-Rotterdam Bank N.V. gemene Bank Nederland N.V.

Bank Mess & Hope NV son, Heldring & Pierson NX. in Amsterdam

ie Générale du Luxembourg S.A. in Luxembourg

in Amsterdem as Bank Corporation

in Frankfuntiv



Compagnie Financière de Crédit Industriel et Commercial

Floating Rate Notes Due 1997 Notice is hereby given that the interest payable on the relevant Interest Payment Date, November 12, 1985, for the period May 9, 1985 to November 12, 1985 against Coupon No. 1 in respect of US\$50,000 nominal of the Notes will be US\$2,127.25.

*October 15, 1985, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBAN(

Barham profits rise sharply

Barham Group, media and property services group, reports a sharp increase in pre-dax profits to £713,000 in the six months to 31 June. This exceeds the figure for the whole of 1984-85 of £582,000 and compares with £182,000 for the first-half of that year.

The board says the full benefit share (net) for the year made

.43m

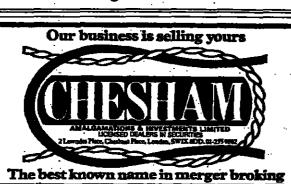
CO-BAN EUROFINANCE B.V.

Guaranteed Floating Rates Notes 1991 Guaranteed on a subordinated basis by CO-OPERATIVE BANK PUBLIC LIMITED COMPANY

US \$ 30,000,000

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from. 16th October 1985 to 16th April 1986 the Notes will bear an interest rate of 81% per control " " " "

with a coupon amount of US\$218.02 London and Continental Bankers Limited Agent Bank



BROWN GOLDIE & CO. LIMITED

Development Capital for Private Companies

Management Buy-Outs

Write or telephone: Cameron Brown or Peter Goldie, Brown Goldie & Co. Limited, 16St. Helen's Place, London EC3A 6BY. A member of the National Association of Security Dealers and Investment Managers

the period down £837,000 to £359,000: **Property Trust in the red**

A PRE-TAX loss of £2.31m is reported by Property Trust for the 15 months ended March 31 acquire the whole capital. It 1985 compared with a profit of £376,000, and "it is clear that the company's poor trading has per cent of the voies. Continued into the present year," the directors state.

"It will take time and much hard work to improve performance," they tell shareholders. The company is in the early stages of carrying out a detailed review of its investments and

(£572,000), and interest payable £797,000 (£250,000) brings the total up to £2.48m (profit £339,000), but there is other operating income £53,000 operating income £53,000 (£31,000), surplus on disposal of investment and investment properties £116,000 (nil) and interest receivable £1,000

There is a tax credit £171,000 (charge £315.0 £171,000 (charge £315,000) leaving the net loss at £2,13m (profit £61,000) or 61p (0.2p (pront 201,000) or 6.10 (0.2p earnings) per share.

The loss, together with a restriction of working capital arising mainly out of over-ambitious funding of developments, caused a severe shortage of cash.

The problem was solved by the acquisition of T &P Investments, whose non-property assets were sold following the decision to concentrate on property investment and development, and sub-sequent financial support from sequent financial support from London Securities. London Securities made an

and trading still difficult

The company is in the early din as executive chairman and stages of carrying out a detailed review of its investments and developments.

In the period, turnover came to £9,86m, compared with £7.29m in the previous year, on which a gross loss of £628,000 (profit £30,000. This has led to a reduction in administration expenses £1.05m (£572,000), and interest payable separated producing a net rental first producing a net rental review of £250,000 per annum. Three £737,000 (£250,000) brings the acquired producing a net rental

acquired producing a net rental income of £488,000 annually. The development at Dorking The development at Dorking was sold last month at a loss of some £700,000 and full provision has been made in the accounts. Short-term indebtedness had to be reduced and the price was the best in the circumstances. The office development in Edinburgh should be completed early next year, and it will be decided whether to sell or retain it as a lone-term investment.

long-term investment.
Short-term indebtedness was also reduced with sales in Chichester, Glasgow and Sutton for £3.49m. This was consider-ably less than anticipated and was largely caused by a cost over-run in Glasgow and by a softening of the investment

market.

The company intends to reestablish its position as a UK developer and is looking for new projects. It has reduced its involvement in the U.S. and does not intend to undertake any new developers are the projects.

BOARD MEETINGS

Interines:—Alexandra Workweer, Harrisons and Crosfield, Welter Lewrence, P.S.M. International, Smith St. "Aubyn, Sovereign Oil and Ges, Svensta Celulosa, Time Products. Tyre Tees Television, United Caramic

Rand Mines Group

All companies are Members of the Barlow Rand Group

Gold Mining Company Reports for the Quarter ended 30th September, 1985

October 15, 1985

(All Companies incorporated in the Republic of South Africa)

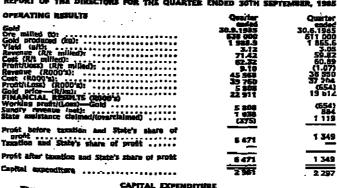
Office of the Secretaries of the undermentioned companies in the United Kingdom, 40 Holborn Viaduct London EC1P 1AJ

HARMONY GOLD MINING COMPANY, LIMITED

Ore milled (t): Gold—produced (kg): 781 849 73 077 46 608

Quarter	Averatis realisz Kitograms of gold sold Kitograms of gold sold					
9854th 9861st 9862nd 9863rd	2 675 2 423 1 586 1 028	R23 489 R24 390 R26 541 R27 147	7			
The proceeds f revenue derivad	from hedging transactions finalised during from the sale of gold. For any C. G. KANDRES CO.	on behalf of the board.				

DURBAN ROODEPOORT DEEP,



finalised during the quarter form part For and on behalf of the board.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

essued Capital: R6 000 000 in 24 000 000 shares of 25 cents each Report of the directors for the quarter ended buth september, 1986

Quarter	Kilograms of gold sold	agid
7985—4th 1986—1tt 1986—2nd 1986—3rd	1 319 1 275 827 847	R23 462 R24 628 R25 223 R27 029
The proceeds fr	on hedging transactions finalised on the sale of gold.	furing the quarter form per
	F	or and on behalf of the boar
	C. G. KNOS H. G. MOSENTHAL (Mari	BS (Chairman) Director

EAST RAND PROPRIETARY MINES, LIMITED

SEVED CAPITAL: R5 544 000 IN SHARES OF R1.00		
REPORT OF THE DIRECTORS FOR THE QUARTER ED	IDED 201K	SEFTEMBER, 1965
OPERATING RESULTS	Quarter	Quarter
motion	ended	cabes
	30.9.1985	30.6.1965
Ore anitied (10):	750 000	708 000
Gold produced (kg):	2 710.5	2 6 <u>DS.9</u>
Yield (g/t): Revenue (R/t milles):	3.61	_3.66
Revenue (R/T milles);	81.77 81.25	75.93 78.96
Cost (R/t milled): Profit/(Loss) (R/t milled):	0.48	(5.03)
Revenue (ROCC's):	61 331	52 343
Cost (R000's)	50 974	55 902
Profit/(Loss) (R000's);	357	G 5600
Cold orice recobed(Dibrie	22 627	20 086
Gold price received—(R/kg):	/	
Working profit/(loss):	357	© 560)
Sundry revenue net	378	636
State assistance claimed	3 722	6 793
Profit before texetion and State's share of		
profit	4 457	Z 889
Taxation and State's ghare of great	_	_
		
Profit after taxation and State's share of profit	4 457	3 869
Capital expenditure	11 780	====
Column Character testabilities : second	11 780	8 223
CAPITAL EXPENDITURE		

For and on behalf of the

The Fleming Overseas Investment Trust plc St. Aubyu, Svenske Celulosa, Tyne Tees Television, United Distributors. Finels:—BM Group, Notion, Patersor Zochosis, Pesahey Property, Pict Petre laum, Synapse Computer Services. FUTURE DATES

The board's policy is to maximise total return by emphasising capital performance from a portfolio invested predominantly in overseas markets.

to 30th June		1985	.% c	hange over 1984
	:-	£194m	: ,	+20.1
dinary shareho	older			+23.4
inary share		2.75p	:	+18.0
	dinary shareho	dinary shareholder	£194m dinary shareholder	£194m dinary shareholder

We have now a wide geographical spread of investments and are confident that in the long-term shareholders will benefit in terms of total return.

DAVID MONTAGU

If you would like a copy of the Annual Report and details of our recently announced dividend reinvestment and savings scheme please send the coupon below to the Secretary, Robert Fleming Services Limited, P&O Building, 2nd Floor, 122 Leadenhall Street, London EC3V4QR

FT/15/10/85 OVER 10/85

DE COSTA RICA Chairman US DOLLARS FLOATING

RATE SERIAL NOTES DUE 1988 - 1992 For the six month period 15th October 1985 to 15th April 1986 the Notes will carry an Interest rate of 94% per 15th April 1986.

BANCO CENTRAL

Singaby (H. C.)
Upton (E.)
Viking Resources Trust
Walker (J. D.)

Search for cheaper thin film bonding |Honeywell pushes on

Less expensive flat screen TVs could be just one benefit of silicon research, reports Peter Marsh

ELECTRONICS companies coating of material perhaps 0.5 London aims to produce a flat atoms are arranged randomly) around the world are exploring to one micrometres thick is laid six inch by eight inch liquid-or the polycrystalline form in new ways to build thin films of onto a substrate by vapour crystal display for business which the regular lattice-like computers as an alternative to structure of the atoms breaks that are such as silicon in a structure of the atoms breaks conventional cathode-ray tubes. diverse as flat-screen TVs and cheap solar cells

In Japan, companies such as Citizen, Toshiba, Matsushita and Sharp are working on thin film devices used either to turn light into electricity in solar cells or to activate liquid-crystal dis-plays for TVs or office-

equipment.

IBM, Philips of the Nether-lands and the UK's GEC are also conducting research in this area, while Plasma Technology, a small British company in Bristol, is trying to formulate new techniques to "grow" thin films of silicon onto plastic, a goal that could greatly reduce the costs of the devices.

The stumbling block, in this last case, is to find a way to coat plastic with layers of silicon in a low-temperature process (below 100 deg C) so that the plastic will not melt. Conventional thin film tech-niques in which the substrate is glass or a ceramic material, require a temperature of 200-300 deg C.

In thin film technology, a

The reason for the survival

gaseous form settling on a much thicker substrate atom by atom. An alternative technique is to use sputtering, in which atoms are fired at a surface from a device such as a discharged

The electronic characteristics of the silicon are then changed by conventional doping techniques, in which ions such as boron and arsenic are impregnated into the lattice structure to build up a series of tran-sistors that act as switches.

To build a large display based on this technology, liquid-crystal cells are placed immediately above the silicon. The transistors change the electric field in adjacent cells, altering the reflectivity of the crystals to register either a light or dark area on the display. Several Japanese companies

are producing small TV dis-plays (about two inches square) using this technology. Philips, at its research laboratories in Redhill, Surrey, is working on similar techniques while GEC's Hirst Research Laboratory in phous silicon (in which the

Thin silicon film can also be used as a photovoltaic cell. The overall cost of the device is reduced due to the small amount of silicon that is used. Sharp of Japan, using thin-

film technology developed by Electronic Conversion Devices of the U.S., has built solar cells of this kind based on a substrate of stainless steel. Such in an annealing process to cells could provide electricity in repair defects in the lattice applications ranging from pocket calculators to space

Engineers working with thin film techniques do not use single-crystal silicon—the form of the element used in conven-tional silicon chips—where the regular lattice arrangement so that dopants can be easily intro-duced to tailor the electronic properties of the semiconductor to a specific application.

Because it is difficult to "grow" single-crystal silicon on top of a non-silicon substrate, engineers working with thin films have to use either amor-

Although it is harder to turn the less-ordered forms of silicon into useful electronic materials, they lend themselves to lowtemperature manufacturing Bonding the silicon with processes. To ensure single plastic is not a problem. But crystal silicon devices retain at lower temperatures, more their good electronic properties, hydrogen atoms remain in the they often have to be heated to film than are desirable and temperatures above 1,000 deg C makes the layer less useful to an as electronic medium.

In the most common process for building a layer of amorphous silicon on a surface such as glass gaseous silane (silicon hydride) is turned into a plasma of hot ions of silicon and hydrogen in a vacuum chamber at about 250 deg C. The plasmas is obtained by obtained by striking an electric arc across the container.

structure.

As a result, silicon and Other scientific groups working on amorphous-silicon techniques in Britain are at Lonhydrogen atoms (in a rough ratio of 10:1) grow on the substrate. The hydrogen atoms substrate. The hydrogen atoms in dues in Strain are at lon-ing with some of the silicon in Watt University in Edinburgh the film to make the structure and the universities of Leicester less random, improving the and Dundee.

towards fully compatible machines

HONEYWELL is well on the way to achieving full compliance across its entire range of computers with the communications standards specified by the International Standards Organisation in its seven layer "open systems interconnect' model.

This defines the layers — or levels of activity—at which computers or terminals should be able to interact in all

respects.

Honeywell says it is now complying with the bottom four layers and its implementation of the top three are a "best guess" of the standards the ISO has yet to finalise.

A few weeks ago, IBM made similar announcement when it released a program supporting layers four and five. It is called "open systems transport and session support," or OTSS. IBM already has products supporting layers one, two and

provide left and right eye

It seems doubtful that such developments, which verge on

gimmickry, can really capture

the public imagination. It is

medium - and in time this new

must spill over into the public domain, much as it did when

film-makers like Griffiths and

matography was more than just

video disc in this period of ges-

what's the use of it when you've

Now Thorn EMI is divesting itself of the movie and home

video business, it almost puts the clock back. But with VHD,

it is still left with a video dis

The problems suffered by the

Eisenstein showed that

a fairground novelty.

got it?")

images in turn.

cations activity. At the lower

strictly define how the data is arranged for sending down the line. An analogy is the inter-Englishman with no French cannot understand a Frenchman even though the words are composed of the same letters and words.
Yet higher levels deal with

the format and content of the

levels it deals with the physical means of sending data over lines-essentially amps, volts and bits. Higher levels deal with the

language of transmission and national language problem. An

documents being sent. (Even if one knew French, would one understand the subject matter?) Upper level of ISO-7 deal with the nature of the applicaanalogy, what are the overall objectives of the Frenchman and Englishman at the two ends technology, this might signify a company talking to its sup-pliers, or managers talking to

three.
The ISO model breaks the open systems standards frame-work down into seven conceptual levels of communithe same company,

Photograph printer that needs no plumbing

Realise the

potential of Teletext

We treatmit Forum data on Oracle for use within our systems. Treatministed BSC will some commence. We have the rectuology and the hardware to fully explore Telescot.

JAPANESE PHOTOGRAPHIC company Konica has developed a mobile, self-contained colour film and print processing system which is computer controlled and needs no water supply or plumbing connec-tions. The usual intermediate and final washing stages have been replaced by chemical buffering and neutralisation, Called "Nice Print," the system is aimed at photo-graphic dealers and chemists. More than 700 have already

There are three separate units for colour film process-ing, colour printing and paper print processing. Together they occupy no more than 20 square feet of floor

been sold in Japan and the

space.
Film sizes of 110, 126 and 25mm can be processed and printed ente four inch wide paper, giving six by four inch prints in the case of 35mm films. Processing rates are between 26 and 64 rolls an hour and the paper processor produces up to 510 prints an

plied in sealed containers as a kit and are plugged into receptacles on the machines. More from Konica on 01-751

Kratos funds professorship

Spectros International, an instruments company with a British base in Manchester, is sponsoring a new chair in mass spectrometry at the University of Warwick near Covenity. The support is coming from Krates Analytical, a division of the

company. Mass widely employed chemistry laboratories for analysis of substances. For instance it has been applied heavily in recent months in testing wines or diethylene

Video disc still fighting for a role

THE MOST maligned, misunderstood and mismanaged medium of the television age — the video disc — is in the news again, and now looks set to confound its most cynical an interactive optical disc net Since its commercial Other, more recent noteworthy nearly seven years ago applications include a medical launch nearly seven years ago in Atlanta (ignoring the even earlier false start of Telefunken's ten minute wonder), the video disc has had a dismal and protracted infancy. Only in Japan and to a lesser extent training programme in the U.S. called Medcom, which is probably the most ambitious single in Japan and to a lesser extent the U.S. has it achieved much credibility as a consumer medium — although signs of renewed interest in the home and a prediction from the BBC video industry suggest that —following its huge Domesday video industry suggest that Britain and other countries may yet adopt it as a mass consumer

and continuing progress of the video disc, in spite of mixed domestic support, has been the booming business of interactive video — atracted by the mar-riage of moving pictures to the computer as a means of pro-viding a highly flexible method of training and communication. About 1m people in Britain are
The applications are now now contributing data to the

disc so far - 23,000 visual images and 85 hours of compressed audio sound; an interactive visual "directory" in Edinburgh for teaching deaf project due for release next year - that other interactive video disc programmes will follow, probably on natural history, language learning and follow. Meanwhile, the Domesday

project, which will produce a modern version of the Domesday book on two video discs, is on course much as reported in this column last November. programme, including pupils surface every week. The big-gest project in the UK has been Most of the running in these the Lloyds Bank contract for developments has been made

Video & Film

disc introduced by Philips and later adopted by Pioneer and Sony. Keeping up with Laser-Vision has been hard going for its Japanese rival, VHD, especially in the UK—until this month the only territory outside Japan where it was available. The U.S. and France now join the ranks of VHD countries but Japan still remains the only territory where the format sells to consumers as well as indus-trial users. This Japanese domestic market has led JVC, the inventors of VHD, to pre-dict a large rise in player sales

there this year—about 300,000 compared with 130,000 last year. The UK supporter of VHD, Thorn EMI, has concentrated wholly on institutional markets, which is where the battle with

tions for selling off its enter-tainment movie business, the separately managed video disc division is finding an untapped market for VHD in pubs and discotheques.

The unexpected outlet, using a smartly designed video juke box, is giving Thorn EMI a toehold in Europe for the VHD system. The penetration at pre-sent is small—by end 1985 about 1,000 units should have been installed in the UK and a number of European countries. But with 65,000 pubs in Britain alone, the market potential is The attraction of Thorn EMTs

wideo juke box is in the economics. A basic unit incorporating three VHD players, TV and associated hardware Philips, Pioneer and Sony has costs about £5,000 and Thorn been fought. Ironically, in the EMI provides a monthly up-

dating of the 45 pop videos which pub customers can play at 30p per spin. Thorn EMI claims that an average site can the painstaking developments in interactive video which are showing the true merits of this collect £600 a month-showing more than 200 per cent profit on running costs. kind of motion picture grammar

Plasmas Technology, which ells plasma deposition

machines to the world's semi-

conductor industry, is exeptimenting with reducing the temperature of the process to less than 100 deg C so that plastic substrates can be used.

Bonding the silicon with

The Bristol company is trying

to solve this problem in a joint

programme with Edwards High Vacuum (makers of vacuum equipment for such things as

furnaces) and an unnamed British electronics enterprise.

engineering department, and a

at the University of Leuven in

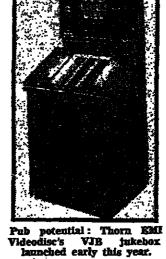
Belgium are also helping Plasma Technology in this

Other advantages of the video juke box include a simple videotex system for local message displays addressed to customers and a dedicated disc which can be programmed to olav video commercials at regu-

In Japan, JVC is trying harder to give VHD a technical edge tation are the same as those exover LaserVision by such moves perienced by the cinematograph
as the introduction of a mini —indeed by Baird with televideo disc player, and the devision ("interesting — but as the introduction of a mini video disc player, and the development of an experimental VHD system for high definition TV still pictures. It has also announced a 3D stereoscopic system for VHD, which uses viewing spectacles with liquid crystal filters electronically switched to momentarily obscure the vision — alternating between left and right eyes to synchronise with the field scandisc is likewise programmed to

commitment, which could logically take Thorn EMI right

JOHN CHITTOCK



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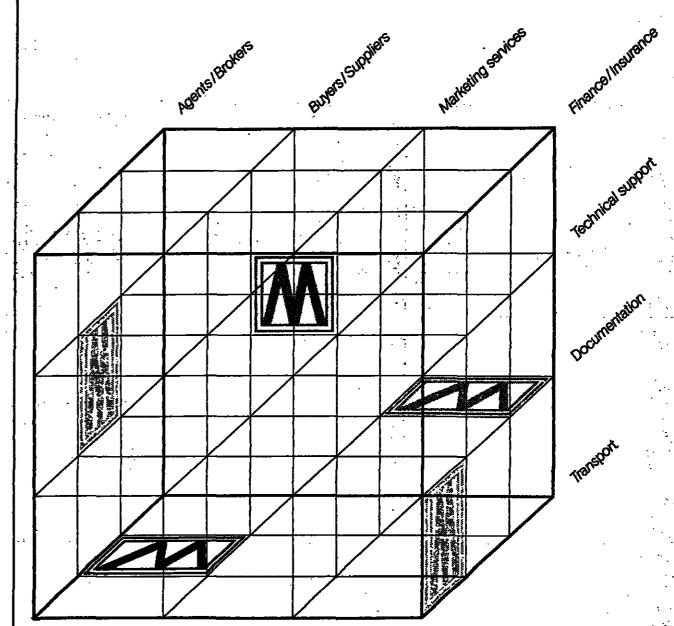
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FT COMMERCIAL LAW REPORTS

Broker not bound by commodity custom

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and silver commodity mar-kets threatens to close the positions of clients who have failed to pay margin require-ments, he is not bound to close nor to inform them if he does not intend to close, although it is customary to do so, in that the practice is not recognised in the markets as imposing a binding obligation.

obligation.
Mr Justice Staughton so held when giving judgment for commodity broker, Drexel Burnham Lambert International NV, in its action against a client, Mr Abou action against a client, Mr Abou Al Nasr, for money owed on his account. Drexel's claim against the second defendants, Etablissement Abou Nasr El Bassanti as Mr Nasr's alleged principal, failed. A counterclaim by Mr Nasr also failed.

HIS LORDSHIP said that Drexel

carried on business in New York London, Geneva and else-where. It claimed that Mr Nasr, where. It claimed that Mr Nasr, one of its clients, owed it \$2,984,230 on his account. His defence was that Drexel failed to close his positions as soon as it should have done.

The particular commodities concerned were gold and silver on the London market, gold on the Comex market in New York, and Swiss frames.

It was agreed that the London

and Swiss francs.

It was agreed that the London gold and silver dealings between the client and Drexel were contracts of purchase and sale between principals; but in relation to Swiss francs and Comex gold, Drexel acted as agent for the client when it bought or sold on the market.

One consequence was that an

on the market.
One consequence was that an open contract for the purchase of Swiss francs or Comex gold would be "closed" or "closed out" if Drexel made a marching contract on the market for the contract on the market for the sale of the same commodity with the same delivery date, on behalf of the client. But an open con-tract for the purchase of London gold or silver would be closed simply by Drexel agreeing to buy the same commodity from the

commodity customer's agreement, signed by Mr Nasr on Angust 27 1982, provided for the payment by him of margins, as required by Drexel. as required by Drexel Swiss francs for the client's In general a margin was the deposit required by a broker for his positions in silver. making or continuing to hold a

A second aspect of Drexel's

margin requirements was that if it held the client's physical gold or silver as security for his obligations, the value might be affected by a fall in the market price. The margin was thus a price. The margin was thus a secondary security against the fall in value of property which was itself security for performance of the client's obligations. ance of the chent's congations.
On February 21 1983 the
client's positions were that he
(i) had a cash balance with
Drexel of over \$22m overdrawn;
(ii) held 135 contracts of 100 ezs
each for the future purchase of
gold on the Comex market; (iii)
held contracts for the future purchase of 24.000.500 Swiss francs; chase of 24,000,500 Swiss francs; (iv) had 40,000 oz of spot gold or the paper equivalent with Drexel; (v) had 20,000 oz of spot silver or the paper equivalent with Drexel.

it sold 5,000 or of gold for the client's account.

On February 23 prices had fallen further. Drexel's total requirement was \$2,176,579. It sent a telex requesting that amount. On February 24 it calculated a total requirement of \$2,147,145. It sent a telex requesting \$1.5m.

On February 25 its internal calculations showed a require-

of representatives of the method and the color of \$1,530,860. On February 28 the client placed orders for sale of 15,000 oz and later 20,000 oz of London gold. On being instructed later still to buy 3,500 oz of London gold Drexel maintained it would not onen a new position until sent open a new position until sent \$3.5m. On March 4 it sold the The case for the client was not do so.

DREXEL BURNHAM LAMBERT INTERNATIONAL NV V NASR AND ANOTHER Queen's Bench Division (Commercial Court): Mr Justice when he had agreed to sell.

WHERE a broker in the gold and silver commodity markets threatens to close the positions of clients who have falled to new market price changed between date of contract and time for performance.

Contract for the future purchase or sale of a commodity, in case the future purchase or sale of a commodity, in case the market price should fall tracted to close all his positions at 3 pm London time on February 24 if it had not received a custom was to show an established course of business, at first be did not pay, Drexel was contested but ultimately and the client was entitled to be placed in the same situation as first made, and time for performance.

Contract for the future purchase or sale of a commodity, in case the market price should fall tracted to close all his positions to had been "laid down over and at 3 pm London time on February 24 if it had not received a custom was to show an established course of business, at first be did not pay, Drexel was contested but ultimately and the client was entitled to be placed in the same situation as first made, and there may be a variation margin if the placed in the same situation as first made over again that the way to prove at the customer had agreed to close all his positions to had been "laid down over and at 3 pm London time on February 24 if it had not received a custom was to show an established course of business, at first be did not pay, Drexel was equiesced in "(See also Stop and the client was entitled to be placed in the same situation as first made, and there may be a variation margin if the placed to close the positions at 3 pm London time on February 24 if it had not received a custom was to show an estable to course the positions at 3 pm London time on February 24 if it had not received to close the positions at 3 pm London time on February 24 if it had not received to close the positions at 3 pm London time on

if they had been closed.

Drexel's case was that there was no promise, that it was not bound to close the positions on binding practice. For example, February 24, and that it did not

february 22, and that it did not do so.

If the client was right, nothing was due to Drexel, and \$362,349 was due to him on his counterclaim. If Drexel was right, it was entitled to judgment for \$2,984,230, and the counterclaim would fail.

The vast difference between the figures was for the most part The vast difference between the figures was for the most part explained by a dramatic fall in the price of gold between 3 pm London time on February 24 and February 28, and a decline in the value of silver and Swiss trancs between February 24 and

The promise upon which the client's case was founded was said to have been either express, or to be implied from the practice of the trade Examination of the telex cor-

with Drexel.

Drexel calculated a net equity credit of \$3948,600 which was deducted from its margin requirements of \$1,611,500, leaving an amount to be covered of \$722,900. In a telex it requested a transfer of \$700,000, but no money was paid by the client then or later, save for a cheque for \$500,000.

On February 22 the positions were the same but market prices were the same but market prices had deteriorated somewhat. A second telex was sent by Drexel. In the evening, on instructions, it sold \$5,000 or of gold for the client's account.

sides. Neither expert went so far as to say that once a threat far as to say that once a threat to close had been made it must inevitably be carried out. After all, market conditions might change and margin might no longer be necessary.

But both agreed that it would be, at the least, good practice for the brokers to inform their customer if they decided not to customer if they decided not to close the account. Neither could

not been done.

That was not sufficient to establish a term to be implied by reason of custom or practice. There was no evidence whatever that it was recognised in the markets concerned that a broker was obliged to close unless he had told his client that he would not do so.

recall a case where that had not been done.

pened in a particular market was not by itself enough to show a binding practice. For example, it might be universal practice for contracts to be typed on A4 paper in black ink. It did not follow that a contract typed on some other paper in year in year.

the practice was recognised as imposing a binding obligation. The evidence did not come near to establishing that in the present case. As an alternative to breach of contract, Mr Walker relied on estoppel.

What had to be shown was that

Promissory estoppel was often necessary in the absence of anything which could technically be called consideration. But that was not the present situation. The client's arguments based on contract failed because there was no promise. It would be, at least, unusual that words which

were insufficient to constitute a promise should nevertheless be a sufficient representation to give rise to a promissory estoppel. There was no sufficient representation.

Mr. Walker also submitted that Drexel owed a contractual duty to use reasonable skill and care to ensure as far as possible that clients were protected from

No doubt when Drexel was acting as agent it owed some duty of care to its client, but in the man-made jungle of the commodity markets, red in tooth and claw, its duty was not as wide as that proposed by Mr Walker.

It was not obliged, for example, to advise its clients whenever it considered they were likely to suffer losses, or to close their positions if it thought it in their interest to do so. The duty went no further than to use reasonable skill and care in carrying out clients' instructions.

There would be judgment for Drexel against Mr Nasr for \$2,984,230.

For Drexel: Christopher Bat-For Drezel: Christopher Bat

QC and Brian McClure (Steggles

Mr Brian Blunden has bee

appointed managing director of PIRA from January in succes-sion to Dr Keith Bridge. For the past five years Mr Blunden has been director of the printing

and information technology divi

Mr Peter Lowe has been ap-pointed franchise director at SWINTON INSURANCE with

responsibility for the develop-ment of its franchise scheme. Mr Lowe was an associate director,

assumed responsibility on behalf of E. W. PAYNE COM-PANIES for the co-ordination and haison of North American activities within the E. W. Payne Group. Mr Michael J. Wybar her icluded as menescing directors

Group. Mr Michael J. Wyhar has joined as managing director of the North America division and has been appointed a director of E. W. Payne Ltd. Mr Derek R. Collins and Mr Frank H. Hitchman have also been appointed disectors of F W

APPOINTMENTS

Managing director at Alex. Duckham

appointed managing director of chairman of the ERITISH KNITALEXANDER DUCKHAM AND
CO, the lubricants company. Mr
Hogbin has spent his career in

Mr Stephen Meldrum and Mrs Carolyn Nightingale have been appointed directors of CANNON ASSURANCE, Mr Meldrum has been actuary of Cannon since 1979 and is also director of administration. Mrs Nightingale joined Cannon, which is part of the Cannon Lincoln Group, from the parent company Lincoln National Life this year. Mr Sid King has been appointed director of sales with respon-sibility for Cannon's direct sales

GLASS CON-UNITED TAINERS has appointed Mr Eric Palmer to be general ex-port manager, with responsibility for operations and the explora-tion of new markets. Mr Palmer was previously the company's marketing manager.

Mr Barry St G. A. Reed, chair-man of Austin Reed Group, has succeeded Mr George Young, Payne Ltd.

CONTRACTS

Mixed batch for Farrans

In Scotland work has started

on refurbishment of offices and factory accommodation at Gleo-rothes and similar work at Livingston for the local development corporation. These con-tracts are valued at fil.5m. Improvement of Crow Road in Glasgow (fil.6m) and construc-tion of bridgeworks and road-works at Torrance, worth £700,000, have started. Residen-tial developments worth a final tial developments worth a total of £8.5m are underway in Glasgow. Irvine and Edinburgh and work is soon to start on a similar development at Coatbridge

where the value is £2m.
Contracts awarded in Northern Ireland include apgrading and rehabilitation work at Glenard for the Northern Ireland Housing Executive, where 500 to 600 home dwellings are involved and the work is valued at £6m. A development of 50 homes (£2m) is to start shortly at Lisburn.

A f2m contract for refurbishment and alterations at St Paul's and Chancery Lane Underground Stations on the Central Line has been awarded to MOWLEM

FARRANS (CONSTRUCTION)
has been awarded a contract for construction of Crown and County Courts at Norwich. The work is valued at £5m. Other orders include a commissary store at RAF Lakenheath at £4.5m; rehabilitation work at Bishop's Stortford, valued at £5m. dation at both stations. At platform and at Lakenheath at £0.75m. A sheltered residential development at Enfield worth £5.5m will soon start, as will \$4 apartments at Harrow (£2m) and a roadworks contract at Aylebury at £0.5m. The company expects to secure a corrective tumels and escalators will be training centre in Colchester at £5m. of the ticket offices will be during this month and the over-all project will be completed by December 1986.

> PLESSEY has won a £2.5m contract from Short Brothers of Belfast for an aircraft integrated monitoring system (AIMS) for the new RAF Tucano basic trainer. First deliveries of the 130 systems will begin in 1986. AUS has been designed by Plessy Avionics to record engine life structural fatigue information, while simultaneously recording accident data and voice communications. Providing has been been added to the providing has been provided to the providing has been provided to the provided to t vision has been made to transfer the accident data record's information to portable equipment for analysis of incidents or accidents, eliminating the need for equipment removal. Display of engine and structural informe-tion is through a hand-held unti-which transfers the data to ground based computers for

35.3

+0.3 240

+0.5 1.62 +0.5 1.62 +0.5 1.63 +0.1 1.63 +0.1 1.63 +0.1 1.63 +0.1 1.63 +0.1 1.63 +0.1 1.63 +0.1 1.63

14#

쨺

Robert Fraser Trust Mgt, Ltd.

STRATECLYDE ANDERSON has won a f6.6m order from China for mining machinery.



6 Pulling towards one side or

the other (6)

7 Is boot built up for player?

18 It includes service in the

games room (4-4)
19 Carriage in which there's

for the FT INDEX

& BUSINESS NEWS REPORT Hourly updated FT index Starling Exchange Rates updated 3 times daily

Bullion, krugerrandis, platinum.

F.T. CROSSWORD PUZZLE No. 5,847

and base metal prices Dow Jones Industrial Average Share Market Report

ACROSS 1 and 4 Positions in the services? (6, 8)
9 Followed, being persistent

(6) 16 A bird's supporter — a plant ing, having smooth finish (6)
12 Incredible lad's chest (7) 11 Deserter to beat or cane (6) 15 Excellent card (3)
12 Poet who set "nonny" in 16 Unending desire to dance certain way? (8)

13 Beer container tax (3) 14 Some anthrax I'll attend to under the arm (6) trust to support man (8) 20 Blasted lamp in sleeping 17 Soak takes in name for ornamental edging (7) 21 A small arm that is just

ornamental edging (7)
A small arm that is just short of the coin (6)
Pan, for example, contributes to cooking odour (3)
Reedless adornment for trides (8)

22 Love's very strong to complete hurt feelings (6)

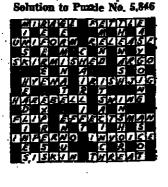
23 Battered hat with suit mostly arranged for the break (6) short of the coin (6) 25 Pan, for example, con-26 Needless adornment for trifles (8)

27 Gee-gee gone astray? Drink this pick-me-up! (6)
28 Get outside or I exert order!
25 Get into it to be in fashion

29 Person isn't dismissed. But appeal is (3, 3) 30 To make hair untidy she'd live in rough (8) 31 A longing for food is accepted (6)

DOWN

1 Tree person who came from the Council? (8)
2 Drunken attack doesn't give one much room (5, 3)
3 Slave or learner wearing Seafarer to achieve objective



in the States (6)

The second of the second of

PLATINUM SO TOY OF \$/boy or

321.0 327.5 327.5 330.5 334.8 339.5

SILVER 5,000 tray oz, cente/tray az

High 624.5

Closs 628.6 629.1 639.5 637.9 646.3 656.2 684.7 674.9 690.5

LIVE CATTLE 40,000 lb, conts/2

CHICAGO

Low 321.0 324.5 325.0 333.5 388.5

687.0

Shell drops \$300m China coal plan MARKETS WITHOUT a lead from the New York markets, which were closed for the Columbus Day holiday, London's soft commodities futures markets

ROYAL DUTCH/SHELL has tinuing goodwill towards China coal seams, which would have ment in China's plans to pulled out of a joint plan with and avoiding any suggestion of made it technically and fianci-the Chinese authorities to serious differences between the ally too risky if carried out in develop a large coal mine in China at an estimated cost of

The project, which would produce up to 4m tonnes of power station coal a year, is the Jining Number Two deep mine in Shandong province, about 200 miles south east of Beijing, the capital. It would have been Shell Coal International's first involvement in a Chinese coal

The company, which would have purchased half the mine's annual output, revealed its decision yesterday in a statement strongly stressing its conIt said that its decision not

to proceed had been taken after "amicable discussions" with the China National Coal Development Corporation, that they valued their "excellent relationship" and wished to continue to seek new opportunities to cooperate " on the basis of equality and mutual benefit."

Shell blamed the decision on "technical and

economic factors" and said the Chinese respected its decision. Shell is understood to have

accordance with free market discipline. Significantly, Shell has still not completed the feasibility study, being carried out

over an 18-month period at a

cost of some \$20m. The Chinese, while accepting Shell's assessment of the risk, different financial employ criteria and could well decide to develop the mine without Shell.

One of Shell's main motives for putting a brave face on the decision is its anxiety to safeguard its stake in several oil pulled out because of the exploration projects off the discovery, during its feasibility Chinese coast as well as its study, of serious faulting in the prospect of further involve-

expand its coal industry.

Although large by European standards-Britain's Selby coalfield will yield 10m tonnes a year—the Shandong mine is by no means the biggest in China's ambitious plan to expand national coal output from 700m to 1.2bn tonnes a year by the end of the century.

The largest proposed project is the 15m tonnes a year open cast pit in the northern Shanxi province in partnership with Occidental Petroleum Corporation of the U.S.

Under the original plan the mine would have begun producing coal by 1990.

lead, zinc and copper. That

general picture, however, dis-guises paradoxical shortages of concentrates in some

Supplies of refined lead were likely to be in surplus both this year and in 1986, with con-

sumption and prices flattening

out and mine production capa-

the end of this year and 1990. The lead concentrates mar-

ket, however, has recently

moved into a significant deficit

after being in surplus in most recent years. This supply short-fall, said Mr Hobson, was likely to peak in 1987/88, leading to a balanced market in 1989 and

1990 and a surplus thereafter.

was smaller, he said: "Price weakness, lacklustre consump-

tion performance and growth in world stocks." Production is

This could lead, he said, to

cent up to the end of 1990.

For refined zinc, the picture

ALUMINIUM

	Unofficial + or close(p.m.) - £ per tonne	High/low
Cash 3 months	685,5-6,5 — 10.75 707.5-8,5 — 10.25	7207:70.5
(698-9), t settlement 708.5-9.	closing (sm): Ca hree months 7145 681 (889). Final K r: 14,450 tonnes.	[7205].
COP	PER	

were extremely quiet. Cocoa and sugar traded in very

narrow ranges and closed virtually unchanged. Coffee displayed a similar pattern until a wave of technical and chartist buying lifted values

right at the end of trading. The January position ended £17 higher at £1,674.50 a

tonne, but prompt November had closed unchanged before

LME prices supplied by Amalgamated Metal Trading.

the rally started.

Cash 976.5-7.5; +0.5; 977.7:977 988.6; -0.1003;990 Official closing (sm): Cash 977.5; (974.5); three months 999.5; (996.5); settlement 977.5; (974.5). Final Kerb close: 896.5-7.

956 9 +2.5 — 985 6 +5.0 986 /986 Official closing (am): Cash 956-8 (956-8), three months 984-6 (980-2), settlement 958 (958). Turnover: 13,025 tonnes. U.S. Producer prices 65.00-70.00 cents per period (1995).

LEAD	'		
	Unofficial close p.m.1 £ per to	- ;	
Cash 3 months	279.5-80.5 2865	3.0 2 3.25 2	82 <u>.5/282.</u> 8 88.5/28
(282.5-3), 90), sett Kerb clos Turnove	closing (a three mont lement 282. e: 285-7. ir: 3,775 to 0 cents per	hs 288.5-9 5 (283). Anes. U.S	(289.5- Final

Official closing (am): Cash 2990-3 (3030-5), three months 3045-50 (3080-3), settlement 2998 (3035). Final Kerb close: 3055-65.

NICKEL

High grade Unofficial | + or | High low | close(p.m.) — | for day £ per tonne 8790-800 -- 12.5 8690-5 -- 30,0 Official closing (am): Cash 8792-7 (8800-2), three months 8685-90 (8715-8), settlement 8797 (8802). 8790-800 -12,5 8800/8750 -30.0 8701/8670

Official closing (am): Cash 8790-5 (8800-2), three months 8885-6 (8715-5), settlement 8795 (8802). Final Kerb close: 8885-90. 7. 1.025 tonnes. MS29.95 (29.95) ZINC

High grade	close (p.1	aj +or n.) — tonne	High/low
Gash 3 months	445-7 452-3	⊱3,0 –4.5	451:451
Official (453-4), settlement	closing three mor	(am): Cantha 452-3	sh 446-8 (462-3),

GOLD Gold rose \$1 to \$326½-327½ in very quiet London buttion trading yesterday. The metal opened at \$327-327½, the highest level of the day, and was fixed at \$333.80 in the morning and \$326.65 in the afternoon. The partial U.S. closure for Columbus Day, and the lack of movement on the foreign axchanges, kept the market very quest, with gold drifting to a low of \$326½-227.

GOLD BULLION (fine ounce) Oct. 14 \$3263, 3274 (£251.2511₂) \$327-3271₂ (£2311₂.251) 'ni'g fix, \$326,60 ft'n'n fix \$326,66 (£231.254) (£231,093)

GOLD AND PLATINUM COINS

Kr'g'r'nd \$532 \ 555 \ \tau285\ -235\ \\ 2175\ -175\ \\ 4 \ \tau_8\ \ 814\ -83\ \\ 122\ \\ 212\ \\ 23\ \\ 4 \ \tau_8\ \\ 88\ \\ -88\ \\ 178\ \\ 188\ \\ 88\ \\ 178\ \\ 188\ \\ 88\ \\ 178\ \\ 188\ \\ 88\ \\ 178\ \\ 188\ \\ 836\ \\ 57\ \\ 122\ \\ 238\ \\ 238\ \\ 198\ \\ 88\ \\ 178\ \\ 178\ \\ 188\ \\ 836\ \\ 357\ \\ 122\ \\ 238\ \\ 238\ \\ 188\ \\ 88\ \\ 88\ \\ 188\ \\ 88\ \\ 188\ \\ 88\ \\ 188\ \\ 88\ \\ 188\ \\ 88\ \\ 198\ \\ 88\ \\ 198\ \\ 88\ \\ 198\ \\ 188\ \\ 88\ \\ 198\ \\ 188\ \\ 88\ \\ 198\ \\ 188\

Silver was fixed 0.1p an ounce lower for spot delivery in the London bullion market yesterday at 440.4p. U.S. cent squivalents of the fixing levels were: spot 622.2c, unchanged; three-month 634 SC, up 0.5c; six-month 647c, up 0.8c; and 12-month 674.65c, up 0.95c. The metal opened at 440½-443-p (622-625c) and closed at 441-444p (624-627c). SILVER Buillon | or LM.E.. | or p.m. | or p.m.

LME—Turnover: 5 (33) lots of 10,000 Cash high/low 440.50; three months high/ low 453p, final kerb 452.3p.

Futures traded in a narrow range and thin volume around Friday's closing levels. The actuals market saw some manufacturer offtake but origine remained withdrawn, reports prigins remained Giff and Duffus. Sales: 1,994 (1,447) lots of 10

COCOA

ICCO Indicator prices (U.S. cents per pound) Daily price for October 11: 107.18 (107.31): five-day everage for October 14: 109.01 (109.61).

U.S. MARKETS

long liquidation in response to dollar strength, reports Heinold Commodities. Copper and aluminum weakened in sympathy with the precious metals as fresh news was lacking. Cotton remained steady as farmer sales remained light. The energy complex firmed reflecting the renewed attack on Kharg Island by Iraq along with low distillate stocks. The grain and soyabean complex traded mixed in slow trade awaiting a pick-up in harvest activity. Cocoa, coffee and sugar were closed in New York due to

the Columbus Day Holiday.

NEW YORK

generally lower on light

MAIN PRICE CHANGES in tonnes unless otherwise stated

INDICES

REUTERS

DOW JONES

FINANCIAL TIMES

Oct. 14-Oct. 11'M'th ago|Yearago

250.09 250.58 2554,54 292,18

(Base: July 1 1952=100)

Oct. 14,0ct. 11M th ago Year ago

1707,8, 1708,1 1725,3 1884,0

(Base: September 18 1931 = 100)

Dow | Oct. | Oct. | Month | Year Jones 11 | 10 | ago | ago

Spot 115.60 115.52 - 184.08 Fut. | 117.75 117.48 - 126.06

(Base: December 31 1931 = 100)

				f -
METALS	0ot 14 1985	+01	Month ago	1
Aluminium	11620;40	-10	£1 100 8 10 15/85 £10£3.6	T JA A J S T J
3 mths	1527 1280	+1 3	\$520 £299.5	ľ
Palladium oz	100,50 322,25	+0.25	898,65 8310,60	9
Silver troy oz	140.40p 152.45p 18795	-0.10 +0.59 -12.5	460.85p 463.60p £9157.5	1
Tungsten	66.75 62/68		\$67,52 \$65:70	8
OILS Coconut (Phil)	440x 360u	<u>⊢73</u>	3435 3340	1

Sarley Fut. Jan. |£109.60 + 0.10|£104.65

‡ Unquoted. x Oct-Nov. w Nov-Dec. Nov. u Dec, † Per 76 lb flask. c Cents COFFEE

reports Drexel Burnters Lembert. Small gains were posted but the U.S. holiday dampened Interest while slightly steadier sterling tended to restrict the gradual advance until late short-cover-ing triggered a £20 rally.

COFFEE Yesterdy's + or Sales: 1,044 (2.458) lots of 5 tonnes. 1CO Indicator prices (U.S. centa per pound) for October 11: Comp. dally 1379 121.34 (121.07): 15-day average 120.25 (120.12).

FREIGHT FUTURES Rumours of steadier rates for Gulflarigin physical business; resulted in values advencing quite strongly over the morning, with gains of up to 16 points being registered on nearby October. Most of the gains were croded in the afternoon in fairly quiet conditions, reports Clarkson Wolff. The Baltic Freight Index was 883.5, up

Turnover: 11.250 tonnes, U.S. Prime GRAINS
Western: 38.00-38.75 cents per pound.

Whest rose slightly with forwards advancing relating to nearbys, against a featureless physical market. Barley followed a similar pattern with further shapper buying interest in nearbys, reports Muirpage. WHEAT

104.90 +0.15 107.50 +0.20 108.50 +0.20 109.60 +0.16 111.40 +0.35 112.66 +0.96 117.20 +0.20 114.78 +0.20 96.60 -0.05 96.45 +0.05

Business done—Wheat: Nov 105.00-4.80, Jan 108.25-8.20, Mer 111.30-1.25, May 114 50-4.40, July 117.20 only, Sept. 96.60-6.50. Sales: 448 lots of 100 tonnes. Berley: Nov 107.30-7.30, Jan 109.65-9.45, Mer 112.60-2.50, May unvaded. Sept 96.45-6.40. Sales: 88 lots of 100 tonnes.

LONEJON GRAINS—Wheat: U.S. dark northern spring no. 1 15 per cent Nov 131, Dec 131.25, Jan 134.25, Feb 137 transshipment east coast. U.S. no. 2 soft red winter Oct 109, Nov 111, Dec 112.50. Jan 113.50 sallers. EC Franch Oct 123.00. English feed feb Oct 106, Nov 109, Dec 110, Jan/Mar 112.50. Apr/Jun 117 sallers asst coast. MAIZE: U.S. no. 3 yellow/franch transshipment east coast Nov 137 sellers. Barley: English feed feb spot 107.50. Oct 108, Nov 110.50. Dec 112, Jan/Mar 115.25 sellers east coast. Rest unquorsd.

HGCA—Locabonal ex-ferm spot prices. Feed barley: N Eest 1039.80, Scotland 99.90. The UK meretry coefficient for the week beginning Monday October 21 (based on HGCA celculations using four days' exchange rates) is expected to remain unschanged.

p. per klio (deadweight)

Seles: 41 (46) lots of 50 carcases,

LIVERPOOL—Spot and shipment sales for the week ending October 11 amounted to 440 tonnes compared with 594 tonnes in the previous week. Business ranged over various types including West African. Amendan, Russian, Chinese, Israeli and Pakistani styles.

Low 62.25-63.82 61.50 61.50 62.70 60.10 69.35 ALUMINIUM 40,000 lb. cents/lb 44.00 43.75 LIVE HOGS 30.000 lb, cents/8 COPPER 25.000 lb, cents/lb COTTON 50,000 lb, cents/% PORK BELLIES 38.000% High 60.25 60.80 61.25 50.00 CRUDE OIL (LIGHT) 12,000 U.S. gallons, High 28.05 28.36 27.72 27.17 26.73 26.40 28.00 26.70 28.75 27.99 27.45 26.93 26.52 26.20 25.88 25.70 SOYABEAN MEAL 100 GOLD 100 troy oz. \$/tray ez Close 326.4 328.0 329.8 334.7 338.3 342.8 347.4 352.3 367.2 367.8

SOYABEAN OIL 60,000 Pb, cer

SPOT PRICES—Chicago loose lad 15.00 (same) centa per pound. New York tin 570-72 (589-72) cents per --- 109.00

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HONEY

In quiet trade Brent and WTI drifted up 10c. Nymex opened 5-8c up and was still firm by 1 pm EDT with November barrels 12c and December 21c above Friday's close. In the petroleum products market gasfoli firmed slightly in nervous wade. There was little interest for October gas/oil and activity was centrad on November—Petroleum Argus, Looden. The market opened £1.10-1.50 lower line with an easier Dutch quote, ut November subsequently remained but November subsequently remeined fairly steady, reflecting slightly improved sentiment in the physical market. April opened testing, and quickly breaking the £78.00 support level, which hit stop-loss selling pressure during the afternoon resulted in further losses before there was a small recovery at the close, reports Coley and Harper.

Latest CRUDE OIL-FOB (5 per barrel)-Nov. 61,40 | 62,50 | 61,50-61,18 65,00 | 67,00 | 65,50-85,08 76,00 | 79,30 | 78,00-76,88 82,10 | 85,10 | 84,00-82,80 Arab Light 27.78 27.80 27.80 Arab Heavy 28.55.85.85 Dubei 28.55 28.55 Arab Heavy 28.55 28.55 Arab Heavy 28.55 28.55 28.55 Arab Heavy 28.55 28.55 28.55 Arab Heavy 28.55 28.55 28.55 Arab Urals (cif NWE) 28.55 28.78 -0.8 Sales: 1,324 (685) lots of 40 tonnes.

RUBBER PHYSICALS — The London market opened slightly steadler, attracted little interest throughout the day and closed quet. reports Lewis and Pear. Closing prices (buyers): spot 59,00p (same): November 67,00p (57,50p): December 57,75p (57,50p). The Kusis Lumpur fob price for RSS No 1 was 187,25 (187,0) cents a kg and for SMR 20 was 175,0 (172,5).

SOYABEAN MEAL

Jan 100.40 March 107.40

Nov Feb Apr May

POTATOES

The market opened unchanged to 50p higher in dull trade, reports T. G. Roddick. Prices steaded on shipper buying during afternoon but soon eased on commission house selling.

October 118.4-149.0
Dec 127.0-127.5 +0.35.127.5
Feb 128.2-129.5 +0.25.129.8-123.5
Apr. 128.4-129.4 -0.16/129.1-123.5
June 125.0-125.7 +0.26/129.1-123.5
October 177.0-25.0 +0.75 Sales: 176 (675) lots of 20 tonnes

SUGAR LONDON DAILY PRICE—Raw sugar \$128.00 (£90.50). unchanged (un-changed) a tonne for October-November delivery. White suger \$170.00, up \$1.00.

Na, 6 Con-tract 162.0-182.6 165.0-165.6 162.0

Sales: 282 (1,447) lots of 50 tonnes.
Tate & Lyle delivery price for granulated basis sugar was £193,00 (same) a tonne for export.
International Sugar Agreement — (U.S. cents per pound fob and stowed Caribbasan ports.) Prices for October 11: Daily price 4.99 (5.00): 15-day average 5.01 (5.03). PARIS—(FFr per tonne): Dec 1385/ 1380, Mar 1401/1405, May 1435/1440, Aug 1475/1485, Oct 1495/1505, Dec 1520/1535.

Premium gasoline | 278-280 | 251-252 | 133-134 | Naphtha | 248-244 |

GAS OIL FUTURES

Turnover: 1,635 (2,737) lots of 100

A FIRMER tone was reported at yesterday's weekly London tea auction, though average price levels were not much changed from last week's self. An average price of 160p skilo was quoted for quality tea. This grade had been unquoted since late June, when the price stood at 205p a kilo, Medium grade tea was up 1p at 144p a

forecast for futures markets By Andrew Gowers FUTURES MARKETS are un-

Slower growth

futures markets are unlikely to maintain the hectic growth rates they have displayed over the past few years, according to a report published today by the London-based Trade Policy Research Centre.

The study* says that although new contracts will be established and activity will inones, recent developments-in petroleum futures, for example have left "few major areas commodity trading un-

"The only untried area for the development of futures markets seems to be that of services (for example, contracts in

relation to insurance)," it says. The report also warns that futures business could suffer badly if restrictive regulation of the markets were to be intro-

duced. "To date, it is fair to say, regulation in the U.S. and the UK has been rather mild in its effects on the costs of establishing and of using futures mar-. But attitudes may to be a few dramatic scandals frauds or defaults."

How Commodity Futures Markets Work by Basil Yamey, Richard Sandor and Brian Hindley; £4.50 from Trade Centre, Policy Research Centr Gough Sq., London EC4.

About 42,000 tonnes of About 42,000 tonnes of Nigeria's cocoa crop this year has been destroyed by black pod disease, according to the News Agency of Nigeria. Olusegun Ojutalayo, the Commissioner (Minister) for Agriculture in the Western Oyo State, the main cocoa producing region, said the disease was caused by prolonged heavy rains and humidity coupled with lack of fungicides to fight The loss was a colossal

O HUNGARY is to stop produc ing iron ore and non-ferrous metal ore, but expand the pro-duction of non-metallic duction of non-metallic minerals, Industry Minister Mr Laszlo Kapolyi said.

He told Parliament the quali-sative development of the luminium industry would con-tinue, the official MTI news

tonnes of raw iron ore in 1984

after 441,000 tonnes in 1983.

LONDON METAL EXCHANGE WEEK

Copper hit by fibre optics

THE AMOUNT of copper cable used by telephone networks in industrialised countries will continue to decline noticeably, the London Metal Forum was varned yesterday. Mr Nigel Lea-Wilson, product

design and development manager at BICC Telecommunications Cables, said that one conservative estimate copper telephone cable shipments in outloo these countries were falling at specifi an average of 7 per cent a Asia. year. This decline would con-tinue before bottoming out at 1990, the low levels needed for maintenance and repair.

At the same time, the use of fibre optics would grow, with the explosive early growth rates of 50 to 100 per cent a year seen in many countries likely to flatten off to between 10 and 20 per cent a year, Mr Lea-Wilson told the forum arranged by the U.S. magazine American Metal Market.

So far, the decline in copper cabling in telecommunications had little to do with the advance of fibre. It was instead the re-sult of a fall in demand for cable as networks reached saturation point in many developed countries and electronic equipment was used to push more signals down existing cables, he said.

However, the future impact of fibre on demand for copper cable—which accounted some 10 per cent of world copper consumption—could much greater. "Fibre is now being installed

in every part of the telecom-munications network," he said. replaced copper cable in new installations for trunk, or longdistance, routes; new junction routes, linking local exchanges, would also soon abandon copper completely—in the UK

that the advance of fibre in local networks—which accounted for the great bulk of copper used in telecommunications — would be less rapid. Business users would want to bring in fibre to help tie together computer and

communications links.

However, it might be a number of years before the use of fibre advanced significally for domestic telephone links, said Mr Lea-Wilson.

By contract D. Tekschi

city in the non-socialist world rising by about 7 per cent to

more positive picture of the outlook for copper, looking specifically at demand in East

He forecast that for 1984 to 1990, Japanese copper consumption would rise by 2.5 per cent a year, South Korea's by 8 per cent, Taiwan's by 7 per cent, China's by between 5 and 9 per cent and that of other countries by 13 per cent. This would take the region's total nsumption from 2.24m tonnes in 1984 to at least 2.86m tonnes by 1990 and to 3.03m on a more favourable view of

Chinese demand. Dr Nagano, who is also chairman of the Japan Mining Industry Association, con trasted the continuing growth of demand for copper in Japan with the decline in other industrialised countries. The reason for this difference, he said, was that while service industries had expanded in Japan manufacturing was still the core of the economy. Also, the electronics industry had created a new demand for

At another conference yesterorganised by Metal Bulletin, delegates heard several more gloomy assessments of the Mr Simon Hobson, of the London - based consultancy Metals and Minerals Research continued

weakness in the markets for WAREHOUSE STOCKS

		(comico)
•	Aluminium	+3,400 to 200,425
	Copper	-6,675 to 198,925
	Lead	+3,900 to 38,325
!	Nickel	+906 to 6,990
•	Tin	+925 to 36,345
•	Zinc	-1,525 to 31,875
Ĺ		(ounces)

(Changes during the week ending last Friday)

-120,000 to \$4,948,000

tember.

significant and possibly struc-tural surplus developing in custom zinc concentrates. Another speaker at the Metal Bulletin conference, Mr John Teeling of Ireland's Tara

the zinc industry when he said plunge into the red if European exchange rates rose markedly against the dollar. In copper, Mr Hobson pre

dicted that mine production would continue to increase at until 1987, as it has in every year since 1973. "The industry has developed massive destructive potential on its supply side," he said. Meanwhile, the current shortage of custom concentrates was

likely to persist at least until the end of 1988. Thereafter a severe surplus could develop in that market, too. Jersey Miniere, a U.S. sub-sidiary of Belgium's Union Minere yesterday joined Comin-co and Noranda of Canada in the latest round of zinc production cuts. It said it would reduce production to an annual rate of 90,000 short tons in

Noranda said on Friday it would cut 1986 mine concentrate production by 80,000 tonnes and metal production by 23,000 tonnes because of continuing weak demand.

October from 99,000 in Sep-

Rooting out the redundant acres

As is well known supplies of the world's main temperate foods; cereals, fats, sugar dairy products and beef are far in excess of commercial demand. It is a situation which can only end in the destabilisation of the farming and possibly other economies of the main food producers. Having long seen this situation arriving. I am depressed by it. And I was in no way comforted by attending the American Soyabean Asso-ciation's seminar in London last was last week.

The scene was set by Mr Dan Huber of the Tradax shipping firm. He underlined the dilemma of the American farm sector, where production of all grains and pulses had been boosted by the high prices following the physical shortages of the 1970s. He bemoaned the fact that the various systems of support enjoyed by the American farmer, together with the attempts at supply manage-ment, shielded him from the real market. A market where, in a sensible world, supply would be ultimately governed

He underlined the problems of unstable currencies instancing that during the 1970s the weak U.S. dollar enabled exports to expand. Then as the dollar became strong after 1980 exports became much more difficult. But U.S. farmer had failed to notice the signs in time and had committed themselves to an expensive policy of expansion with funds borrowed at high interest rates. Approximate to notice the signs in buy. He hoped, without much conviction, that the various farm bills being argued in U.S. Congress would bring about a more realistic pricing policy. mately 40 per cept of them were

viewpoint: by **John**

He was not hostile to the EEC the same boat. And he even system. He thought both U.S. suggested that income aids could be considered as a tempo-rary means of supporting U.S. farmers instead of price support or attempts at supply

The EEC view was given by Mr Derek Andrews of the Ministry of Agriculture, who

policy of price restraint rather than delivery quota or a limita-tion of the acreage planted.

quotas in 1984 was an experience not to be repeated.
A feature of this year's trade in cereals has been a sharp fall in Soviet buying. This I believe to be a combination of market The problem was not due to strategy, a better Soviet harvest competition on the export and also an improvement in the markets alone, however. It was utilisation of the grain for exacerbated by increasing self-sufficiency of countries like the to Dr V. F. Lishchenks from Soviet Union, China and India the Institute of USA and Canada Studies in Moscow, Soviet farmers are getting better results and the eventual

goal is as near self-sufficiency as possible in all foods. This has been claimed before and failed to materialise. But it would be dangerous to base Western farming policies on the expectation that the Russian

with incentives on the Chinese model they could well succeed and I believe that in time they

Russia is the world's most important food importer, with until now, a voracious appetite for other people's surpluses. Its withdrawal from the market would have catastrophic conse

But these are already with us. There are huge acreages of farming land worldwide which are becoming redundant because production is exceeding economic demand. This land, economic demand. This land, and its farmers, are just as redundant as mines and steel works and their personnel. The repercussions of this situation on the farm supply industries, and even on the political stability of the countries concerned with exporting are most serious.

To bring the argument nearer home. The EEC Commission is seeking to cut production by various means, as already seen with milk quotas. I very much doubt if slow strangulation by price restraint will cut off production for a long time. The need to take land out of farming is just as necessary in economic terms in Europe as it is in the U.S. and elsewhere. The political question of the day is whose land is to be sterilised and how will farmers be com-

pensated. Mr Huber's suggestion of allowing prices to fall until the market recovers is not a real starter. It happened just like that in the 1930s causing wide-spread destitution in rural areas and dustbowls and the like. Of PIGMEAT—November consolidated recent gains, trading within a narrow range. The nearby month remained firm but there was little interest in the distant positions, reports CCST Commodities.

April MEAT COMMISSION-Average fat-

COTTON

Firmer tone at London tea sale

kilo and low medium unchanged at 108p.

There were 27,302 packages on offer at the auction, including 793 in the offshore section.

The London Tea Brokers Association reported improved demand at firm prices for Bangladesh teas, it said Assams met "fair" competition and East Africans were again "well

America's share of world grain exports had fallen from 60 per cent in the late 1970s to less than 50 per cent today and was still falling. At the same time the world's cereal trade had stagnated since 1980 and the reiterated the UK line that sagnated since 1980 and the like of the community's cereal surplus. European or American standards of efficiency. Were they to devote some of the resources at present applied specially rose and farming got the community's cereal surplus they to devote some of the resources at present applied and barley output 131 per cent. The restarted the UK line that the Russian spread destitution in rural areas and dustbowls and the like. Of course it did work, prices they to devote some of the resources at present applied and barley output 131 per cent. The restarted the UK line that the Russian spread destitution in rural areas and dustbowls and the like. Of course it did work, prices they to devote some of the resources at present applied spread destitution in rural areas and dustbowls and the like. Of course it did work, prices they to devote some of the resources at present applied spread destitution in rural areas and dustbowls and the like. Of course it did work, prices they to devote some of the resources at present applied spread destitution in rural areas and dustbowls and the like. Of course it did work, prices they to devote some of the resources at present applied spread to the vertical surplus. in a serious financial situation.



and European farmers were in The sudden imposition of milk

Control of the contro

management. —and of course the poverty of many countries in the third world who could not afford to



DOLLAR SPOT-FORWARD AGAINST DOLLAR

† UK and instand are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Selgian rate is for convertible france. Financial franc 54.30-54.40.

EXCHANGE CROSS RATES

Oct. 11 2 | 'S '] DM TYEN | FFr. | SFr. | H FL | Line | CS | SFr.

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Company Notices

The second secon CURRENCIES, MONEY and CAPITAL MARKETS FOREIGN EXCHANGES **FUTURES AND** LONDON 20-YEAR 12% NOTIONAL GILT **OPTIONS** No incentive to move dollar Closa High Low Prev Dec 113-16 113-18 113-10 113-12 March 113-18 13-18 113-10 113-12 Sopt 112-14 — 112-14 Dec 112-14 — 112-14 Est. Volume 1,148 (1,604) Previous day's open inc. 3.518 (3,847) Bests quote (clean cash price of 13-1/2, Tressury 2004/00 less equivalent price of near interes contract) —8 to +4 [32nds] It was a day of almost total inactivity on the foreign exchanges, with the dollar trading in an even narrower range than has been usual of late. Recent statistics have suggested the prospects for the U.S. economy have improved, and demand for the dollar should be supported by the very high level of Treasury funding due for the remainder of this year, but bunched up because of the problems over raising the Federal debt ceiling. The prospect of attractive yields at future Treasury auctions is discouraging any move out of the dollar, but at the same time the market is fearful of pushing the U.S. currency higher because of the threat of central bank intervention. Trading was very quiet, with most New York barks elegated. The dollar finished slightly stronger overall, rising to DM 2.6615 from DM 2.6615 from DM 2.6615 from DM 2.6615 from DM 2.6610 in Frankfurt, compared with DM 2.6595 on Friday. There was some doubt about possible intervention by the central bank on the dollar in 1985 is 3.4510 to 2.5190. September average 23370. Exchange rate of 28 per cent, but the central bank on the dollar was fixed at DM 2.6560 in Frankfurt, compared with DM 2.6595 on Friday. There was some doubt about possible intervention by the central bank on the open market, but most because of the threat of central bank intervention. Trading in an even narrower range fit is generally expected that the revised third quarter U.S. FFF 11.45; SwFr 3.0775; and Y304.50 from Y303. DMARK — Trading range against the dollar in 1985 is 3.4510 to 2.5190. September average 23370. Exchange rate of 28 per cent, but the central bank on the dollar was fixed at DM 2.6560 in Frankfurt, compared with DM 2.6595 on Friday. There was some doubt about possible intervention by the central bank on the open market, but most dealers appeared to believe the Bundesbank restricted its action to smoothing the market during the first Europe problems. **Trading** quiet & dull menths ago. The D-mark showed little change against the dollar in very quiet trading. The German Bundesbank sold \$16.1m when the dollar was fixed at DM 2.6580 in Frankfurt, compared with DM 2.6595 on Friday. There was some doubt about possible intervention by the central bank on the open market, but most dealers appeared to believe the Bundesbank restricted its action to smoothing the market during the fixing. Eurocurrency interest rates on dollars and D-marks were generally steady, giving no guidance to future trends on the foreign exchanges. Trading was very quiet, reflecting the closure of U.S. banks for Columbus Day. At the Frankfurt close the dollar was DM 2.680250, compared with DM 2.6555 at Friday's finish. Sterling was on the sidelines. It was fixed at DM 3.7520 against DM 3.7510 previously. Trading was very quiet and subdued for most of the day in the Loydon International Financial Futures Exchange yesterday. A recent lack of direction, aggravated by a static cash market and sterling's narrow trading range, was highlighted still further by the partial closure of U.S. mancial centres for Columbus Day. There are a number of U.S. economic statistics due for release this week but the market is likely to remain subdued until Thursday's revised third quarter GNP figures. Sterling markets will be hop-THREE-MONTH STERLING £500,000 Dec 89.59 89.65 89.65 89.65 89.67 Sept 89.62 89.65 89.65 89.65 89.65 89.65 89.65 89.65 Sept 89.62 89.65 89.60 89.62 89.65 89.65 Sept 89.62 89.65 89.60 89.65 Est. Volume \$33 (794) Pravious day's open int. 7.190 (7.149) because of the threat of central bank intervention: Trading was very quiet, with most New York banks closed for Columbus Day, but the central banks did not take the opportunity to attack the dollar, and apart from a little market smoothing by the Bundesbank at the Frankfurt fixing, it is doubtful whether the central banks entered the market. Fear of intervention was reinforced on Friday, when the central banks kept the dollar and steady day. The pound gained 15 points to \$1.4130-1.4140, and also rose to DM 3.7625 from Close High Low 700 Therefore of the Exchequer. Dec 132.40 133.65 132.20 132.95 March 133.00 133.00 133.96 Est. Volume 338 (253) Previous day's open int. 1,332 (1,382) THREE-MONTH EURODOLLAR Stap points of 100%. Chancellor of the Exchequer. Eoro-dollar prices | Dec | State | Previous | Previo Euro-dollar prices opened a little lower from Friday and traded in a two point range to finish at 91.65 down from 91.69 on Friday for December delivery. Volume in all Euro-dollar con-tracts totalled less than 500 lots. POUND SPOT-FORWARD AGAINST POUND The U.S. Treasury bond opened in line with Chicago and then improved during the afternoon to finish at 75-10 for December **CURRENCY MOVEMENTS** Close One month; J. I. Investigation of the property of the p 1.4095-1.4165 1.4130-1.4140 0.45-0.42c pm 1.325-1.9358 1.3223-1.3357 2.56-0.47c pm 2.56-0.47c pm 1.205-1.364, 3.58-1.364, 3.58-1.364, 3.58-1.364, 3.58-1.364, 3.58-1.364, 3.754-3.764, 3.739-3.7675 3.754-3.764, 3.739-3.7675 3.754-3.764, 3.739-3.7675 3.754-3.764, 3.739-3.7675 3.754-3.764, 3.739-3.7675 3.754-3.764, 3.739-3.165, 3.754-3.764, 3.75 delivery, up from an opening level of 75-04 and Friday's close of 75-06.

Gilt values were marked up reflecting jobber buying but once again there was a lack of follow through and the December price closed at 113-16 up from 113-11 at the opening and 113-12 on Friday.

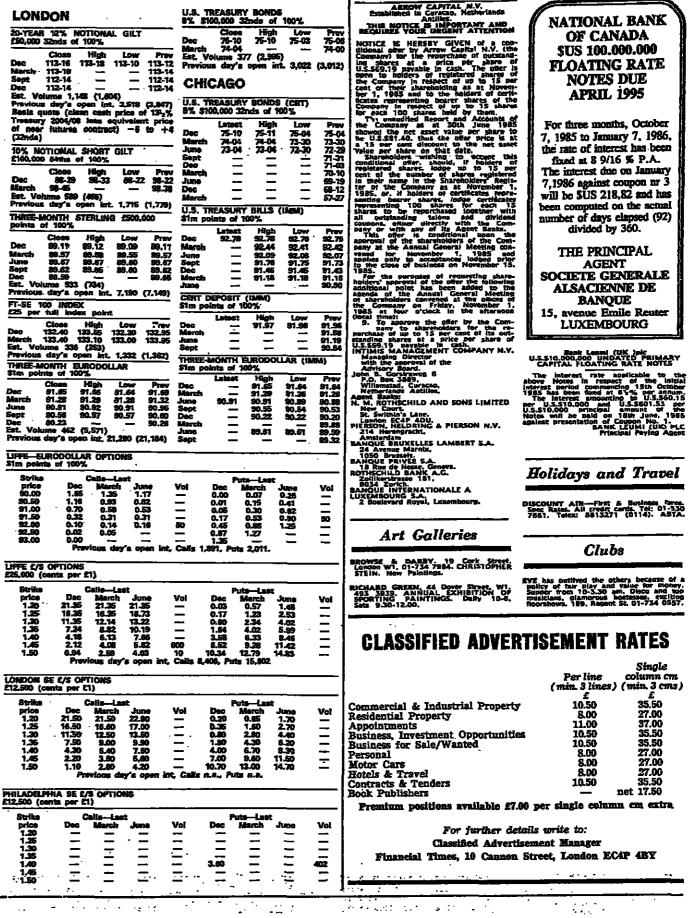
Short sterling held steady in featureless trading. Early selling was soon taken out and after an opening level of 89.10, the December contract rose to a high of 89.12 before finishing at 89.11, unchanged from Friday.

CURRENCY FUTURES

POUND-S (FOREIGN EXCHANGE)

| Dec | 1.4040 | 1.4045 | 1.4080 | 1.4046 | 1.4046 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.4080 | 1.40

LIFFE-DEUTSCHE MARKS DM 125,000 \$ per DM



Close High Low Prev 0.3785 0.3792 0.3784 0.3784 0.3820 0.3818 0.3818 0.3818 0.3856 0.3856 lad volume 51 (77) £ 1, 1414 3,763 804.5 11.47 5.083 4.240 8536, 1.934 76.10 £ 0.707 1 2,662 816.4 8,110 2,163 3,000 1794 1,366 55,85 0.266 0.376 1. 60.93 3.047 0.819 1.127 674.0 0.514 20.23 3.284 4.642 12.36 1000. 37.65 10.12 13.98 8385, 6.351 249.9 STERLING INDEX C5 0.517 0.731 1.945 157.4 6.926 1.594 2.192 1311 1. 39.35 BFr. 1.314 1.857 4.944 400.1 15.07 4.051 5.572 5332 2.541 100. EURO-CURRENCY INTEREST RATES 11 13 13 15 614 834 814 915 614 915 42 414 456 434 1075 11 1356 1375

EMS EURO				<u> </u>	
	Ecu central rates	Currency smounts against Ecu October 14	% change from central rate	% change adjusted for divergence	Diverg
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Change	a are for E	cu. therefore	positive cha	ings denotes inancial Times	 - -

CURRENCY RATES

OTHER CURRENCIES

pm 2.16
pm 1.29
sterling 714
mm 2.24 Canadian 5.
-1.94 Lys. Ballan Fr.
mm 2.25 Canadian 5.
-0.37 Ballan Fr.
mm 2.49 Danish Kr. 7
s-18.29 D mark. 4
-4.20 Guilder. 912
sterling 714
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span'n Plan 1514
swedish K. 3.63 Swiss Fr.
1.70 Span'n Plan 1014
swedish K. 3.63 Swiss Fr.
2.68 Swedish K. 3.63 Greek Dr'ch Inlu
id Irish Punt. 1312

Lack of direction keeps UK rates steady

Lack of u	ncchon we	']
Interest rates were barely changed in London yesterday in rather quiet and uneventful trading. There were no new factors to influence the market while sterling showed very little movement either. Markets will already be looking for some inspiration following Thursday night's Mansion House speech by Mr Nigel Lawson, Chancellor	purchases of £37m of eligible bank bills in band 2 (15-33 days) at 11th per cent and in band 4 (54-91 days) £3m of Treasury bills, £3m of local authority bills and £18m of eligible bank bills all at 11th per cent. In the afternoon it gave further assistance of £126m comprising parchases of £125m of eligible bank bills in band 2 at 11th per cent and £1m in band 4	te 11 op pr
of the Exchequer. Overnight money was obtained at reasonable rates although late payers were faced with 12 per cent compared with a day's low of 10 per cent and an opening	at 11% per cent. Total help was £187m. The authorities also announced the rate for today's	F
rate of 111-111 per cent. Three-	NEW YORK RATES	
at 11%-11% per cent compared	(Lunchtime)	T
	Prime rate	ak
bills were bid at 11st per cent,	Fed funds	to
unchanged from Friday. The Bank of England forecast	Fed funds et intervention	_
a shortage of around 2250m with	Treasury Bills & Bonds	Ł
Treasury bills	Two stanth	_
together draining £652m and	Three month	_
	One year	in
	Two year manufactures 8.84.	Şŧ
	Three year motor and a second	
	FOUR VANT	D
a fall in the note circulation of	Five year	Č¢
£305m.	10 year	F
The Bank gave assistance in	30 year	Tr Be
the morning of £61m comprising	No lan : Hittiffmanmamm	Fi
		Do
MONEY RATES		SC EC
MOREITATIO		_
Oct. 14 Ovr-nig't Month	Two Three Six Lombard Months Months Months Months Months In'y'ntion	Ba Bii Se
Frankfurt 4.45 4.654.60 4.70	4 4 4 7 4 60 4 75 4 68 4 80 5.5	Fig
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	- 4446 - - -	6)
Ameterdam	51 — 631-676 534-678 — 6,46875 — —	me
Tokyo 6.84375 6.4687	51 — 6.488751 — — — — — — — — — — — — — — — — — — —	CB
Zuńon	_ 994 914-91 ₉ ·	De
5.60 84-9 Dublin 8-812 914-912	912-919 912-914 918-1014 -	CB

MONEY MARKETS

	L Oct 14)	RBA		months	U.S. doll	lara
Three month	offer 8		bld	81/4	offer	8 348
absteenth, of the b for \$10m quoted	by the ma	rket to	Paris and	Morgea	Gueranty	Trest
LONDON M	ONEY R	ATES				
LONDON M	ONEY R	7 days	Month	Three Months	Stx Months	On Yes
Oct. 14	Over night 10-12	7 days notice	1150-1184 1148-1184 1156	Months 114-115 114-116	Months 11,5-11,6 11-114	11+-1 104-1
Oct. 14 Interbank Sterling CDa Local Author't Som Discount Mict Depo Company Depos Finance His Depos.	Over night 10-12 os 111-1115 is 11-1115 is 11-1115	7 days notice 11½-11¼ 11½ 11½	115g-113g 115g-113g 115g 121g 113g 113g-117g	Months 114-115 114-114 114- 114- 115- 115-	Months 11,5-11,6 11-114	11-6-1 104-1
Oct. 14 Interbank	Over night 10-12 11-11-13-13-13-13-13-13-13-13-13-13-13-1	7 days notice 111g-114 111g 111g	115g-11åg 11½-11½ 115g 121g 11åg 11åg	Months 114-115 114-114 114- 114- 115- 115-	Months 11-3-11-6 11-11-6 11-6 11-6 11-6 11-6 1	12-1-1 104-1 11 114-1

E WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on October 14, 1985. In some sases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which

Approximate rate; (A) approximate rate, no circet quotation available; (F) free rate; (F) based on U.S. dollar partitles and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate. VALUE OF £ STERLING 2,4020 212,50 2,0055 26,40 251,50 1,4135 0,5326 228,89 41,40 2,8410 68.5366 136.69 . Rispish . Risi . Iraqi Dinar . Irish £ . Sheke! . Lira . C.F.A. Frano (e) 105,937, 5 2,9500 11,435,5 1,4135 8.20(sq) 304.50 0,5355 C.F.A. Franc 950,0 Local Franc Franck Franc (A) 59,21 3,7500 2,0050. 25,05 4,24 2,54 2,54 2,75073.25 1,275073.25 11,1750 0,4884 22,55 1,4125 1,3448 145,50 2,535,76 (A) 9,87 0.4845 407.9317

30 BROKERS, DEALERS, UNDERWRITERS & DISTRIBUTORS	AMERICANS—Cont. 1785 Price Price	TONDON CIT	ARE SERVICE	ENGINEERING—Continued	Tuesday October 15 1985 HOTELS—Continued Hotels Shell Print Continued Continued
SANYO		BUILDING, TIMBER, ROADS—Cont.		58 88 Group 10a 132 +10 11 1 24 12 484 69 120 Babrock inii 159 +2 100 1.7 7.6 19.3) 161	53 States 10p 42 m1 0 28 23 18.4 119 Treptione Forte 138 pc 79 1.7 49 148
INTERNATIONAL LTD. Roman House (3rd Floor) Wood Street, London EC2Y 58P United Kingdom Telephone: 01-628-2931 Telex: 518812979 (SYSECG)	201-picker 201	5.7 High Lew Stack Price — Net Cyr(Gr) Price 4.4 MgG (212 BPB Inds. 50a 208 4.1 7.7 3.0 3.7 11.9 17.7 310 206 Bargendge Brott 310 625 3.7 2.9 13.3 7.4 32 20 Barby (Bp. 10a 21 -1 0.25 - 1.7 - 15.7 42 5 28 Barby (B. 1) 10a 40 15.7 42 6 2 6 2 6 2 12 12 12 12 12 12 12 12 12 12 12 12 1	107 18 3-Pape Grass 100 98 93.0 2.5 4.8 11.6 26 97 50 944.7 \$1.0 118 100 948.4 \$1.0 12.0 1 2.0 2.0 1 2.0 2.0 1 2.0 2.0 1 2.0 2	15 Becar (0.67) 50 24 1.25 3.1 7.4 5.3 255 60 (Savaid Qualeas) 86 -1 12.5 1.7 5.4 6.9 124 100 (1.25 Start & Sector 20.5) 127 0.06 2 1.8 7.0 10.2 130 (1.25 Start & Sector 20.5) 127 0.06 2 1.8 7.0 10.2 130 12.5 1.8 1.8 1.0 10.5 10.5 10.5 10.5 10.5 10.5 10.5	22 AlM 10p 15 15.77 15 7.8 11.8 15.7 15 7.8 11.8 15.7 15 7.8 11.8 15.7 15 7.8 11.8 15.7 17 17 18 11.8 15.7 17 18 11.8 15.7 17 18 11.8 18.7 17 18 18.7 18 18 18 18 18 18 18 18 18 18 18 18 18
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Financial Times Tuesday October 15 1985 INVESTMENT TRUSTS-Cont. Price - Net Cw Grs P/E | 122 | 344 | 343 | 344 | 345 | 345 | 345 | 346 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 | 347 Central African OIL AND GAS 7 | WARDOWEL ASD 20 | 285, WACKE SOL | 285, WALKE SOL | 2 MOTORS, AIRCRAFT TRADES Commercial Vehicles SHOES AND LEATHER SOUTH AFRICANS | 277 | 226 | Trially fet Hid Sign | 229 | -12 | 1126 | 15 | 75 | 122 | 123 | 124 | 124 | 125 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 126 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | PAPER, PRINTING, ADVERTISING Aper Hitam SAI1
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Hongha 212 165 90 650 11 34 17 200 165 180 170 90 205.1125 152.877 751.751.751.2887 168.05 3.6887 168.47 1288 18.77 158.57 168.57 | Miscella **OVERSEAS TRADERS** NOTES **PLANTATIONS** 70 58 65 129 21 16 vQ26 \$ 102 vQ26 \$ 102 vQ25 - \$ vQ16 15 75 vQ16 13 125 225 26 55 TOBACCOS 36 | 256 | BAT Inch. | 257 | 4 | 110.3 3.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | NSURANCES | 123 | Abbry Life 5p. | 25 | 42 | 403 | 37 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 405 | 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| 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 9.0 0 1.6 35.0 43 1.6 195.75 45 47 84% 7.6 7.0 912 0 0 2.4 5.0 6.7 2.7 28.0 3.9 6.5 Price - Net Car Gra | 10% | 780 | Assam Decars Ω | 10% | 11% | 12% | 12% | 12% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% 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537 | E171, Barlet, R1. |
247 | 132 | Decktrant R0.20 |
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521 | E124, Directontein R1 |
523 | 612, Directontein R1 |
524 | 512 | Decktrant R0.20 |
525 | 102 | Estury R1. |
527 | 102 | Estury R1. |
528 | 494 | Mont Gold R0.25 |
529 | 453 | Vantager R1. |
520 | 453 | Vantager R1. |
524 | Sufferent Rept. 50c. |
525 | 453 | Vantager R1. |
526 | 456 | Vantager R1. |
527 | E324 | Vantager R1. |
538 | 634 | E324 |
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Profit-taking leaves blue chips well below best Index closes 1.3 up at 1028.8

Account Dealing Dates

*First Declara- Last Account Dealings tions Dealings Day Sept 30 Oct 10 Oct 11 Oct 21 Oct 14 Oct 24 Oct 25 Nov 4 Oct 28 Nov 7 Nov 8 Nov 18 " New-time " dealings may take place from 9.30 am two business days sarlier.

Last Friday's record-breaking run in leading equities showed signs of faltering as the first session of the new trading account progressed yesterday.

ment of the day from Glaxo was no better than expected and tended to dampen further buying interest. As a result most lead-ing issues closed well below the

Never the less, the Financial Times Ordinary share index, which touched 1036.0 at one stage yesterday, still managed to break through last Friday's record by a whisker, closing 1.3 higher at an all-time peak of 1028.8.

Engineering shares were much quieter after last week's up-surge, but Building issues again met with a considerable amount met with a considerance amount of buying attention in early dealings. Electricals also attracted interest initially, particularly GEC, which were the subject of fairly widespread comment in

Overall conditions were quite lively. Company trading statements results in a number of above average movements, while press mention met with a ready response.

Once again, Government securities were a relative backwater as potential investors appeared to adopt a cautious attitude awaiting the Chancellor's Mansion House speech which is expected to throw some light on the authorities' future nght on the authornes' nutire policy on funding and money supply. Most quotations were inclined harder, although stocks within the area of the new tap, Treasury 10 per cent 2001 announced on Friday, eased § to §.

Comm. Union rise

EQUITY GROUPS

& SUB-SECTIONS

COMSUMER GROUP (177) ...

subsidiary to the public in the U.S. French Rier continued to o.s. French Kier continued to attract buyers on hopes of a bid from Trafalgar House and put on 9½ to 220p xd; TH hardened 4 to 354p. Attwoods rose 7 to 120p in reply to excellent annual results and major shareholder. British Car. Austlean session of the new trading account progressed yesterday. Drawing encouragement from Friday's improvement on Wall Street, buyers showed renewed enthusiasm for blue chip industrials. However, the upward momentum soon began to slacken as some short-term operators decided to take profits. This coincided with the annoucement of disappointing provisional retail sales figures for September.

The major preliminary statement of the day from Glaxo was no better than expected and tended to dampen further buying interest. As a result most leading issues closed well below the

Recently-dull Amersham International revived strongly and touched 313p before closing 10 higher at 310p.

A promising session in Stores was nipped in the bud by the announcement of disappointing provisional retail sales figures for September. With the exception of Woodworth, which touched a new high of 508p before settling 10 higher on balance at 503p, the leaders usually displayed modest losses. Burton shed 5 more to 525p, while Brittish Home Stores, interim figures due tomorrow, eased a couple of pence to 296p. Elsewhere, Owen Owen rose 6 to 460p xd, while unwelcome bidders Clayform Properties improved a similar amount to 218p, after 223p. Press mention lifted Asprey 20 to 450p, while revived speculative interest was noted in Gabicci, 6 up at 108p, and in Telefusion, 5 up at 34p.

Comm. Union rise

Insurances benefited from publicity given to a chart breakout signal for Commercial Union, which rose 7 to 238p. Other Composites followed and General Accident gained 12 to 625p, while Sun Alliance, 470p, and Royals, 688p, appreciated 8 apiece.

Fresh enthusiasm was shown for Building issues and leading quotations made—further good progress before settling a shade below the best. Blue Circle closed 5 higher at 546p and Redland 7 to the good at 322p, while RMC gained 6 more to 446p xd. Taylor Woodrow rose 446p xd. Taylor Woodrow rose ing interim results, dipped 4 to 11 to 508p and Costain 4 to 476p. 204p. Fresh support was forth-coming for takeover favourite dary issues, rising 26 to 314p on good interim results and the reports of a falling share in the

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

BRITISH GOVERNMENT INDEX-LINKED STOCKS

269

9.23

111.47 +0.84 111.67

FINANCIAL TIMES STOCK INDICES

	Oct. 14	Oct.	Oct.	Oct.	Oct.	Oct.	ago year
Government Secs	84.16	84,14	84,10	84.08	84,02	84.16	79,41
Fixed Interest	89,91	90,09	90.06	89,96	89,86	89,89	84.66
Ordinary 7	1028,6	1027.5	1017,8	1007.0	1007,2	1012.4	881.6
Gold Mines	294.6	291,4	290,2	290.2	289,2	287.4	554,5
Ord, Div. Yield	4.65	4.64	4,67	4,71	4.72	4.71	4.81
Earnings, Yid. \$(full)							
P/E Ratio (net) (*)	10.87	10.90	10,82	10.75	10,72	10,74	10.44
Total bargains (Est.)	24,498	22,731	21,837	20,548	21,818	21,718	21,001
Equity turnover £m.	_	536,58	467,02	397.01	313.85	348.14	263,24
Equity bargains	- 1	25,422	21,202	18,830	19,270	19,881	20,277
Shares traded (ml)	- ,	297.4	246,3	203.4	170.7	179.5	149,6

■ 10 am 1035.8. 11 am 1035.2. Noon 1031.6. 1 pm 1029.8. 2 pm 1029.5, 3 pm 1028.8, 4 pm 1028.9. Day's High 1036.0. Day's Low 1028.3. sis 100 Govt, Secs. 16/10/25, Fixed Int. 1925, Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-245 8026

• Nil = 10.48.

HIGHS AND LOWS

S.E. ACTIVITY INDICES

<u> </u>	19	85	Since Co	- mpilat'n]	Oct.	Oct.	
	High	Low	High	Low	Daily		i	
Secs.	84,31	78,02	127,4	49,18	Gilt Edged Bargains Equities	147,0	135.1	
d int	(4/70) 90.09	(28/1) 82.17	(8/1/86)	(6/1/76) 50.53	Bargains	164.B 108.8	187.4 944.0	
	(11/18) 1028.8	(28/1) 911.0	(28/11/47)		5 dayAverage Gift Edged			
nary	(14/10)	(25/7)	(14/10/85)	(28/8/40)	Ecuities		142,3	
Mines	556.9 (15/4)	280,1 (29/8)	734.7 (15/2/88)	48,5 (26/10/71)		135.5 833,4	127.0 783,1	

decision to offer up to 30 per computer market upset Apricot Ash and Lacy proved disappoint-FT-ACTUARIES SHARE INDICES

Wed Oct 9

Thers Oct 30

3.53 3.33

Fri Øet 11

Street Investments 15 to

precision grant of a peculative interest was acted in Gablect, 6 up at 108p, and made progress at the outset between the ew account on an encouraging of a periodic property of the state o net 20 up at 460p. Glavo's of pence more to 70p, attended a temple annual profits failed to match following press comment, while market estimates, but the scrip buyers also displayed enthusiasm issue proposal and increased divi
for Readicut, finally 3½ to the perty purchase. Hopes of a takeover bid following the acquisition
of a 10 per cent stake by Hillsdown Holdings lifted Office and
Electronic Machines 12 to 22p;
Hillsdown moved up 8 to 170p.
Barkam gained 8 to 143p in
response to sharply increased
interim profits, while Rockware
improved 2 to 44p on the midterm profits recovery. Heiton
were marked 5 higher to 27p
following a bid approach and
AGB Research galmed 15 to 225p
after the chairman's confident
statement at the annual meeting. statement at the annual meeting. AAH found support at 176p, up 7 and Manchester Ship Canal moved up 28 to 436p. Demand in a restricted market lifted Can-

> Among Leisure issues, Med-minster shed 10 to 1909 follow-ing disappointing annual results, but First Leisure gained 15 to 390p in response to favourable press comment.

Lucas Industries which advanced Lucas industries which advanced 10 more to 413p amid persistent bid talk. Dowly hardened 4 more to 211p. Charlie Browns Car Part Centres added 4 at 100p in response to the sharply increased preliminary profits. AC Cars attracted a lively business in the wake of a newsletter recommendation and rose 15 to 55p, after

Fleet Holdings advanced 15 to 376p and quickly established a premium on the increased and final offer from United Newspapers; the latter, which has lifted its stake in Fleet to just over 41 per cent via further purchases in the market, fell 12 to 290p, after 288p. Other Publishers fared well with Associated Newspaers 20 higher in a thin market at 975p and Baliy Mail A a point dearer at f14½. Paper/Printings featured fresh support of DRG, 7 up at 203p, and BPCC, 4 to the good at 205p. Cradley advanced 4 to 50p in response to doubled full-year profits.

Properties displayed several noteworthy movements. Peachey attracted support awaiting today's annual results and touched 280p before closing 5 higher at 278p, while Samuel firmed 2 to 176p following the sale of its leasehold interest in a Brompton Road property for 13.5m. Londen and Edinburgh 58p. Fleet Holdings advanced 15 to a Brompton Road property for £3.5m. London and Edinburgh spurted 18 to 378p on hopes that Mr John Gunn, the former Exco International chief executive,

International chief executive, may join the company on a part-time basis. Property Holding and Investment added 3 at 129p on takeover hopes and Asda Property moved up 4 to 216p ahead of tomorrow's interim figures. Hammerson A, marked the total property moved up 4 to 216p ahead of tomorrow's interim figures. Hammerson A, marked the total property moved up 4 to 216p ahead of tomorrow's interim figures. Hammerson A, marked the total property moved up 4 to 216p ahead of tomorrow's interim figures. up to 480p immediately after the announcement of the half- LOWS FOR 1985 the announcement of the hair-year results, subsequently drifted off to close 10 lower at 465p. Takeover speculation buoyed estate ageous and Connells rose 12 to 142p, while Mann and Com-pany gained 8 to 202p. Dealings in Carpets Inter-national and John Crowther, both suspended early in August of this year, resumed following

of this year, resumed following completion of Crowther's acquisicompletion of Crowther's acquisition of the former's UK carpets
operation. Crowther opened at
71p and quickly advanced to 83p
before settling at 79p exrights issue; the new nil-paid
shares traded between 15p premium and 24p premium before
closing at 19p premium. Carpets
International, shortly to change
its name to Debron Investments,
closed at 550. Elsewhere in Texclosed at 55p. Elsewhere in Tex-tiles, Lister hardened a couple

A number of firm features emerged among Financials. Most were directly attributable to comment in the weekend press and foremost was stockjobbers Smith Bros which advanced 11 that Rothschild was set to dis-Akroyd and Smithers advanced 20 to 430p in sympathy. Oceana Consolidated spurted 8 to 47p, after 51p, and Ivory and Sime rose 16 to 156p, but Argyle Trust, up to 43p amid vague bid hopes, settled a net penny cheaper at 38p. Bid talk also resurfaced in Britannia Arrow, 7 dearer at 114p, with the Warrants 4 up at 35p. Altken Hume, buoyant on Friday following news of the proposed purchase of Sentinel Insurance, ran into profit-taking and slipped 8 to 155p.

Oils subdued

The oil sector remained in the doldrums and leading issues did little more than drift easier tid little more than drift easier in extremely quiet trading. The big two—BP and Shell—dipped a few pence aplece to 540p and 685p respectively, as did Britoil, to 210p, and LASMO, to 263p. Burmah hardened a shade to 317p during early dealings

EU	ROPE	AN	OP	101	IS E	XCH	ANG	ìE.
Se	ries	Vol.	Nov.	Vol.	Feb.	Voi.	day Last	Stock
GOLD C GOLD P GOLD P GOLD P	\$340 \$360 \$280 \$300 \$320	94 10 50 50	2,50 0,30 2,50	103 60	- 6,50	11 = =	20	\$ 326.80 "
	,	- 1	Dec.	Ma	ırch	Ju		
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ŀ		•	gt.	J	an.	Aj	or.	
ABN C ABN P AEGN C AEGN C AEGN C AEGN C AKZO	Fi.130 Fi.120 Fi.85 Fi.85 Fi.85 Fi.150 Fi.60 Fi.65 Fi.65 Fi.55 Fi.65 Fi.67 Fi.180 Fi.90 Fi.190	112 36 215 1281 2815 1281 281 1964 131 48 41 1964 131 271 198 698 164 196 196 196 196 196 196 196 196 196 196	1,10 B 0,60 0,60 0,10 1,90 16,50 0,10 1,90 0,10 0,10 0,10 1,20 4,50 4,50 0,10 0,50 0,30 1,20 1,20 1,20 1,20 1,20 0,50 0,30 0,30 0,30 0,30 0,30 0,30 0,3	203 55 707 560 221 338 26	13.50 8.50 4.250 4.10 21.50 B 4.70 8.50 4.80 4.80 4.80 1.80 1.80 1.80 3.90 4.80 1.80 1.80 1.80 1.80 1.80 1.80	160 168 78 229 16 5	4,50 	FI, 53.30 II FI. 168 FL 70.90
PEO C PETR C PETR P PHIL C PHIL P RD C RD P ROBE C ROBE P UNIL C UNIL P TOTAL VOL	Fr.6959 Fr.6000 Fr.6000 Fr.48 Fr.48 Fr.50 Fr.190 Fr.190 Fr.77.50 Fr.77.50 Fr.77.50 Fr.77.50	28 	500 B 480 B 1.90 0.10 3.40 0.80 2.50 0.70 6.80 0.40	31 194 920 975 188 99 34 	500 5,30 1,50 4,30 6,30 6,60 1,60 1,60 1,50 8,20	40 2 29 49 85 37 24 112 —	560 200 4.70 2.30 4.60 10.60 7 2.60	Fr. 6,920 Fl. 45.20 Fl. 156.30 Fl. 75.80 Fl. 526.5)
	A=A		B=Bld		Call	P=Pu	t	

reflecting press suggestions of an early sale of its Rawlplug subsidiary, but subsequent profit-taking left the shares a net 3 down at 313p. Second-line stocks provided isolated firm spots— Great Western Resources added 5 more to 120p and Petranol rose a like amount to 135p—but busi-ness here also contracted.

Golds improve

Recently quiet South African sectors of mining markets began to attract buying interest and made good progress helped by the continuing firmness of the bullion price. The latter edged up \$1 to close at \$327 an ounce. The return of many Johannes-bury dealers effer less week's

NEW HIGHS (162) BRITISH FUNDS (6) BUILDINGS (26) CHEMICALS (4) ELECTRICALS (9) INDUSTRIALS (28)

INT. BK, & O'SEAS GOVT, STLG. ISS, (1) Mexico 18/pc 2008 AMERICANS (2) AMOS GOT Inds. Goldeniths

INDUSTRIALS (5)
Sidlaw
Standard Firew

SOUTH AFRICANS (1) PLANTATIONS (1)

Anglo-Indonesian
MINES (4)
Afro-West Control Pacitic
Asia Oli Minerals Kia Ora Gold

12.815—the highest since August
1. British Telecom attracted an extremely buoyant business ahead of the Oftel ruling with 868 calls and a massive 2.256 puts struck. Both GEC and Commer

NEW LOWS (30)

ELECTRICALS (9)

First Last Last For Deal-ings ings tion ment Oct 7 Oct 18 Jan 9 Jan 28 Oct 21 Nov 1 Jan 23 Feb 3 Nov 4 Nov 15 Feb 6 Feb 17 Few sets indications see and of For rate indications see end of
Unit Trust Service
Call options were transacted in
STC. Monument Oil and Gas,
Eglinton Oil and Gas, Oil Search,
Polly Peck, Widney, C. H.
Bailey, Camparl International,
Aitken Hume, BBA, Martin
Ford, Milford Docks, Argyle
Trust, Petranel and "The Times"
Veneer. No puts were reported but a double was done in Aitken
Hume.

PALFIVE STOCKS

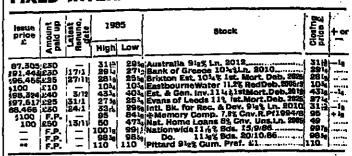
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OPTIONS

EQUITIES | 188 | 100 | 1/11 | 148 | 117 | Britis | 109 | 125 | -8 | 113.0 3.0 5.8 6.0 |
90'	F.P.	5/11	105	95		-2-calergen	Inc. 80.01	108	+2									
1253	F.P.	8/11	135	91		-2-calergen	Inc. 80.01	108	+2									
1254	F.P.	8/11	76	70		-2-calergen	106	91		-2-calergen	91		-2-calergen	92		-2-calergen	106	

FIXED INTEREST STOCKS

RECENT ISSUES



RIGHTS OFFERS

issue price	F	Latest Renunc.	198	15	Stock	Closing	+ 04
	Amo	date	High	Low	·	56	<u> </u>
CM 196 11 55 48 85 60 165 210 225	NII F.P. NII F.P. NII NII F.P. NII	22/11 11/11 6/11 22/11 30/10 12/11 6/12	90pm 11 ¹ 4 8pm 65 125 22pm 37pm 260 12pm ³ 4pm 78	104 8pm 57 105 15pm 15pm 245 3pm 4pm 55	BASF A.G. DM 50 Blacks Leteuro 10p Blacks Agency 10p Burns-Anderson 10p Gity Site Estates Crowther Ui DRG Emess Lighting Howard & Wyndham 5p Howard & Wyndham 5p MIL Hidgs Ck see Blacks Leisure.	65pm 104 600 125 19pm 37pm 348 12pm 58	+7

price. ?: Dealt in under Rulo 535 (3).

**Dealt in under Rule 535 (4) (a).

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RISES AND FALLS YESTERDAY'S YESTERDAY **ACTIVE STOCKS**

Totals 914 408 1,447

FRIDAY'S **ACTIVE STOCKS**

	LONDON TRADED OPTIONS													ŀ		
		•	ALLS			PUTS		1			ALLS		_	PU (S	• · · · · · · · · · · · · · · · · · · ·	l
Option	n	Oct.	Jan.	Apr.	l Oct	Jan.	Apr.	Option	n	Nov.	Feb.	May	Nov.	Fab.	May	Į
B.P. (*540)	500 550 600	42 5 04	58 30 12	68 40 18	16 63	25 63	14 37 68	P. & O. (*438)	360 390 420 460	85 56 30 5	95 65 43 16	72 50 84	1 1/2 2 7 25	8 6 15 32	10 22 40	
Cons. Gold (*439)	390 420 460 500 550	47 18 2 14 14		75 55 34 18	30 70 180	20 38 70 190	10 27 47 72	Racai (*156)	150 140 160 180	28 18 7 1	34 26 14 8	40 32 32 12	2 4 12 28	4 7 16 30	6 10 20 50	
Courtaulds (*150)	120 130 140 160	30 20 10	34 25 17 7	28 20 11	1 1 0 12	1 2 4 14	1 ¹ 2 4 6 16	R.T.Z. (*667)	500 550 600 650	60 25 5 11 ₂	72 37 16	52 25	16 67 107	12 30 54	88 67	
Com. Union	150 200 220 240	59 39 19 4	46 89 15	52 34 20	014 014 1 6	3 6 11	5 8 14	Vasi Reefs (*367)	70 80 90 100	10 3 tg 1 05a 054	15:4 7 4 2:4	15 10 54	141 ₂ 141 ₂ 24	7 16 25 35	19 184 184 -	
G.E.C. (*170)	140 160 180 200	32 12 12 01,	38 22 10 51 ₂	27 24 28 8	1 2 14 82	6 14 38	26 32	Ex10% 1989 (*£98)	92 94 96 98 100	6년 4巻 2년 0년 0년	476 278 130 078	=	0 ± 0 ± 0 ± 1 ± 1	04 04 15	etin	- -
Grand Met. (*848)	300 330 360	68 48 18 2	80 63 85 12	85 70 42 22	1 21 ₂ 15	5 7 80	71 ₈ 10 25	Ty !!?% !99! (*£104)	102 104 106	=	=	27g 1 ik 0 iš	_	Ξ	116 116	ŀ
LC.L (*641)	600 650 700 750 800	45 8 1 1	65 37 18 10	77 50 27 —	17 62 118 162	8 27 62 118 162	18 40 75 	Tr. 1132 08/01 (*£112)	106 108 110 112	5# 5# 2# 0#	6 4 3 1 1	446 316 149	0年 0平 0平	04 0位 0位 1位	0.8 11 ₅ 15 ₄	
Land Sec. (*817)	260 280 300	59 39 19	63 43 24	47 34	014 1 116	1 ¹ / ₂ 2 7	4	Option	{	Dec.	Mar.	June	Dec.	Mar.	June	
Marks & Sp. (*165)	120 130 140	47 37 37 27	58 30	16 42 52	15 01g 01g	19	<u>22</u> <u>5</u>	ETR (*380)	325 330 350 360 375	63 43 25	72 45	80 55	8 17	10	13 22	
	160 180	7 112	12 5	15 7	17	8 20	11 23	Beecham (*505)	300 330 360	16	30 12	35 18	19	17 80	92 35	,
Shell Trans (*686)	700 750	58 6 14	55 28 10	65 37 18	18 68	80 68	15 38 75	Bass (*607)	500 560 600	120 70	132 82	94	55 3	58: 1 12	17	-
Traffgar Hae (*354)	323 330 353 360 383	33 7 - 2	35 20	39 29	2 6 38	5 19	8 22	De Bears (*\$4.46)	420 460 500 850	55 20 10	67 40 23 10	77 52	13 30 60	25 27 35 70 115	30 45 -	ř -
Option		Nov.	Feb.	May	Nov.	Feb.	May	ĠKN (*253)	200 220 240	57 58 23	64 45 51	51 38	1 2 5	24	6 15	
BAT Inds (*268)	260 280 300 330	22 7 24 1	52 20 8 8 31 ₂	38 26 16 9	7 17 35 65	12 25 38 65	15 30 45 63	Giaxo (*1300)	1200 1250 1300 1350	120 75 45 25	150 110 90 63	140 105 85	10 23 50	25 58 60	55 75 75	
Barclays (*394)	360 385 390 420	27	57 36 17	70 47	13 - -	8 22 40	15 25	Manson (*202)	160 195 200 215	27 16 6	31 20	57 27 16	8 7 20	18	10 19 .	-
Brit. Aero (*460)	350 360 390 420 450	155 105 75 48 20	145 115 85 60 37	152 122 93 78 47	1 1 3 18	1 2 12 12 27	1 5 18 32	Jaguar (*269)	240 360 280 300	56 37 26 11	62 44 28 19	50 36 84	2 5 14 22	8 18 25	11 20 30	
BritTelecom (*186)	160 170 180 200 230	31 21 13 5	35 17 8 81 ₆	22 12 41 ₂	1 1 3 13 33	2 - 5 17 35	- 8 19 36	(*280)	216 236 240 256 360 280	70 60 32	- 55 40 25	- 53 45	11 ₂ 2 4 12	Same of 1	1 8 1	
imperial Gr. (*208)	160 180 200 220	50 30 15 6	57 40 27 15	60 43 31 20	1 1 7 19	21 ₂ 5 11 22	3 9 15 26	Option	Ōc	-		26 I		-سنرا		
LASMÓ (*265)	240 260 280 293	30 18 9	43 30 20	42 50	3 9 25 85	7 21 30	23 33	(~1321) 1 <u>2</u>	50 77	158	130 66	75 7	18 8	8 8 23	95 30	•

| No. | Charge | Chiral | Chir Brewers and Distillers (23) . Food Manufacturing (22) Food Retailing (14) Tobaccos (3)
OTHER GROUPS (99)
Chemicals (19)
Office Equipment (4)
Shapping and Transport (11) Miscellaneous (63).. 48 Telephone Networks (2) 49 IMOUSTRIAL GROUP (482). 64.30 1144.5 1146.51 1166.59 1564.23 114.25 704.71 700.86 694.53 585.66 144.5 492.19 488.43 487.61 402.25 21.26 487.77 484.67 481.44 402.48 21.80 763.77 752.79 754.66 522.71 98.3 361.03 357.80 359.28 294.05 29.71 1122.57 1187.27 1199.29 864.33 5.80 251.98 249.51 248.34 196.65 12.03 691.86 691.37 687.72 622.16 10.97 286.78 285.78 285.18 249.81 11.37 591.78 580.00 588.14 561.00 00 500 SHARE INDEX (500).... FINANCIAL GROUP (115)... 4.44 12.11 4.89 — 6.07 7.77 4.41 — 5.37 — 3.84 17.68 4.44 — 3.48 24.65 5.73 11.69 3.55 6.15 7.84 11.76 591.78 589.99 588.14 541.80 8.37 252.39 252.82 252.25 287.19 24.01 565.20 564.41 567.66 607.45 595.07 +0.6 252.72 +0.1 565.98 +0.1 13.68 Overseas Traders (14) **8.71** 4.51 ALL-SHARE INDEX (739) 14.99 642.75 638.47 635.79 540.03 | Index | Day's | Day's | Day's | Oct | Oc FT-SE 100 SHARE INDEX ... (approx.) age (H ()() 11 **FIXED INTEREST** Day's change % Fri Oct 11 ad adj 1985 to date **n**d **n**c), PRICE 9.78 10.05 10.06 10.62 today 10.49 10.10 11.35 10.87 10.26 10.38 10.56 119.55 +0.09 119.65 0.21 1 5 years. 153.65 +0.04 134.10 10.73 10.52 10.17 9.72 2 5-15 years . 140.31 -0.01 140.39 0.27 10.19 · 10.37 9.92 153.61 8.90 153.61 +0.05 131.77 0.36 131.48 11.27 11.90 11.16 114.12 +0.23 114.23 0.37 8.84 82.79 +0.27 | 82.57 | 0.10

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WORLD STOCK MARKETS

CALTREAL Particles

			<u>.</u>										_
ę.	AUSTRIA	GERMANY		NORWAY			AUSTRALIA (c	ontinu	ed)	LAPAN (cont	inued)		_
	Oot. 14 Price + or	Oct. 14 Price	}_ or	Oct. 14	Price Kroner	+ or			: + or	Oct. 14	Price Fen		
	Greditanst'it pod 379 +7 Goesser	AEG 1654	_	Bergens Bank Borregaard	450	+1	Gen. Prop. Trusi Hardie (James)	8.15 3.4	+0.0		460 1,130	+ 10 - 30	1
	interunfall	Bayer 252.5	+8 +7,5 +2,5	Christiania Sank DenNorske Gred Elkett	163	-3 -1 +1	Hartogen Energy	2.5	+0.0	Mitaul	[1,190	+12	i
	Perimooser	Dayer Hypo 441.5	+11.5	Kyasmer	190 172,5	+8.5	Jimberiana F.P.	2,21 0.29	+0,81	Mitsukoshi Nikko Sec	. 689	-1 -1 +3	
			-4	Norske Data Norsk Hydro Storebrand	591 128.5 275	+3.5 +1.5 +1	Lend Lease	8.5 2.55	+0.89	Nippon Denso	1,310 1,070	-30 -10	1
	BELGIUM/LUXEMBOURG	Commerzoank 244.5	+8 +6 +1.2				Mayne Nickless Myer Emporium. Nat. Aust. Bank	3 55	-0.13			+19 -30 : -6	
	OCT. 14 FIR. 1	Daimler-Benz 1,075 -	38 -7	SPAIN	i Price i	+ or	News Nicholos Kiwi	8.0 2.25	+0.1	Nippon Kokan Nippon Oil	. 153 . 781	+2 -15	
26	8.8.L 2,200 +45 8ang. Gen. Lux 7,800 -100 8ang. Int.A.Lux 7,700 +100	D'ache Raboonk (125)	+0.5	Oct. 14	Pta%		North Bkn Hill Oakbridge Pancontinental	1 43	+0.05	Nippon Steel	768 191	+6 -2 +2	
	Ciment OBR 2,660 +150	Drdedner Bank. 337.5	8.5	Beo Blibao Boo Central Boo Exterior	348 315 200	+5 +5	Poseidon	3.65	·	Nippon Suisan Nippon Yusen	. 578	! . +5	ı
	EBES 3.520: +350	Hospital 1986 -	-27 -5	Bco Popular Bco Santander	143 354 362		Reckitt & Colman Repco		+0.02	Nissan Motor Nisshin Flour Nomura	597 476 1,220	-1 +10	ı
	Fabrique Nat 2 150 + 170	Holzmann (P) 520	+ 2.6 + 5.5 - 7.5	Bco Vizoaya Dragados	473 145	+1	Smith (Howard)	5.5 5,24	, +0.04	Olympus Onado Gement	. 348	+30 +3 -17	
	Gevaert 4490 +130	Karstadt 284	11 10,5	Hidrola	83.2 97.0 138	+1.6	Thos. Natwide Tooth	5.8	+0.06	Orient Epance Orient Leasing Pioneer	2,550 1,660	_10	ı
	Kredietbank! 2,670; +380	KHD	2	Petroleos Telefonica	127.7	+3.5	Western Mining . Westpac Bank	5.8 5.26	+0.02	Sankyo	.·1.050	+10	ł
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	Royale Beige	Mannesmann 229,5i +	0.5 57,5	Oct. 14	Kronor	+0.				Seven-Eleven	8,250 809	+150 18	l
		Nicorf	5.0 -20 1.5	AGAB Alfa-Laval B ASEA (Free)	129 195 285	+ <u>₹</u>	HONG KONG		•	Shimizu Constri Shionogi Shisaido	487 789 1,170	+2 +14 ! +30	ł
	UCB	Porsone 1,294,5/ +	D.5	Astra (Free) Atias Copco Cardo (Free)	452 121 220	+12	Oct. 14	Price H.K. \$	+_6	Showa Denko Sony S'tomo Bank	3.570	-5 -110 +20	l
1		Rhein West Elect 210.5 - Rosenthal 502 +		Cellulosa	136	+1	Bank East Asia Cheung Kong	21.6 18.6	+0.1	8'tomo Chem 8'tomo Corp	275 813	-5 -5	İ
•	DENMARK	Siemeris	7.5	Ericsson B Essette	192 335 172	_2 _10 _2	Cheung Kong China Light Evergo Hang Seng Bank	16.1	+0,2	S'tomo Elect S'tomo Metal Tasel Corp	412	+12	۱
	Oct. 14 Price + or	Veba	1.3	Pharmacia Saab Scania Free Sandvik	167 420 490	_3 	Henderson Land HK China Gas HK Electric	2,22 10,6 7,95	-0.E	Taisho Marine Taiyo Kobe Bank Takeda	726	+13	l
	Andelsbanken 385 +3 Baltic Skand 515 -30 Cop Handelsb'nk 358 +1	Verein-West 358 + Volkswagen 329 +	5.6	Skandia Skan Enskilda SKF	240 56 234	-6 +0.5 -1	HK Kowloon Wh.	6,85 6,45	-0,05	TDK	5,980 541	-80 -8 -20	ĺ
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	Emprunt 44% 1975 1,586	do. Pref	<u></u> } +	ioif-Roche PtCts 9	9,700	. sone i	Ali Nippon Air Alps Electric	*AT5 !	-5 -40 +8	Oct. 14	Price	+	١
	Emprunt 75 1975 8,100 +40 Accor 248 +2,6 Air Liquide 526 +10 BIG 450 +4 Bongrain 1,405 +5 Bouygues 680 +10 CIT Algatel 1,187 +17 Carrefour 8,170 +21	NETHERLANDS	ŀ	eimoli	3,300 2,140	_25 (Bank Tokyo	780	-F0	Boustead Hidgs Cold Storage	1.52	************	
i	BiC	Oct. 14 Price +	~ ju	Vestie	1,470/	-30 -30 -3	Bridgestone Brother Inds Canon	546 530	+6	OBS	5,45 5,85 2,13	+0.06	İ
ĵ	Bouygues	ACF Holding 250 AEGON 93.8 +0	ءُ ا	landoz (Br)	8,125 1,445	+75	Casio Comp1	735 i	_20	Hong Leong Fin Inchape Bhd Keppel Shipyard	2,55 2,09 1,14	-0.82 -0.82 -0.93	ľ
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Industrials	1,346.33*	1,335.84	1,329.07	1, 326 ,72	1,325.4	1,353.	11 1359 (19/		K.96 /1)	1359.54 1977 <i>8</i> 5	
Transport	657.42*	647.47	842,32	842.56	640.1	649.	11 782 [17/			782.50 17/7/65	12.32 (8/7/32
Utilities	153,98*	154,08	151.88	154,68	153.5	7 154.	19 1 68. (12/			188.81 (12/7/85	18.5 28/4/42
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Samposite .	185.27*	184,28	182.78	182.52	181.57	181.57	1 95.65 (17/7)	163. 4/1		195.85 1 <i>1/7/8</i> 5	4.48 (1/6/32)
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TT Corp		267,380	34% 7%	+ *	. ATI			690,1 570,1	90	21% 58%	+ 1%

	nd	ices						
e Co	mailation		Oct. 14	Oct.	Oct.	Ogt.	High 19	1 185 Low
w 1,54		AUSTRALIA All Ord. (1/1/86) Metals & Minis. (1/1/86)	1886,5 582,2		1635.2 554.6	1023.6 550,0	1038,5 (14:10) 585,8 (20:5)	
	12.32	AUSTRIA Credit Aktien (2/1/52)	100.18	88,51	\$9,60	100.05	105,75 (27/6)	58,21 (341)
785) 21	(8/7/32) 18.5	BELGIUM Brussels SE (1/1/80)	2842.65	2510,27	2500.38	2522,77	2642,85(74/10)	2090,7 (18/1)
185)	28/4/42 <u> </u> _	DENMARK Copenhagen SE (3,1,83)	(u)	231,12	252.25	228.50	251.92 (10/10/	158,44 (871)
_	pp.m.d	FRANCE CAC General (61/12:32) Ind Tendance (28/12/84)	265.5 118,1	. 208.6 116.5		205.4 115.9	288.7 (51/5) 150.4 (51/5)	
.70		GERMANY FAZ Aktien (81/12,68) Commerzbank (1/12,65)	554,87 1628,7	582,76 1558,4	545,72 7595,5	844,82 1602,9	546,37(14/18) 1026,7(14/10)	382.55 (\$/1) 1111,8 (\$/1)
))	Low	HONG KONG Hang Seng Bank (81/7:84)	1594,85	1529,12	1587.89	1606,53	1711,51 (19:8)	1220,74 (2.1)
13 25)	3.62 (38/8/32)	ITALY Banca Comm Ital, (1972)	484,27	405.55	408,34	415,33	415.22 (8/10)	228,56 (2/1)
15 25)	4.40 (1/6/32)	JAPAN*** N'kkel-Dow (18/6/49) Tokyo SE New (4/1/68)	13017.8 1 1039,98				15040,7 (6/7) 1057,56 (10:7)	11545.2 (5/1) 918.95 (4,1)
o (A 3.95		NETHERLANDS ANP-CBS General (1970) ANP-CBS Indust (1875)	212.4 186.7	211,1 185,6	211,2 ⁽ 185,5	208,8 185,5	225,6 (5/8) 194.1 (5/8)	785.8 (3/1) 747.9 (8/1)
2.21		NORWAY Oslo SE (4/1/85)	872,56	873,41	579,51	376,48	378,48 (6/10)	285.18 (2/1)
7	Dat 4	SINGAPORE St. aits Times (1988)	749,63	761.81	764,87	780.72	852.65 (7/8)	717,98 (15:7)
+	1,849	SOUTH AFRICA USE Gold (28/8)76) USE Indust (28/8/75)	= ;	1058.2 27.55	1055.4 975.9	1047.4 974.1	1140.5 (15/4) 1038.8 (18/7)	829,5 :5:8) 787,1 :7:5)
	844 479	SPAIN Madrid SE (28/12/84)	118.54,	116,85	118,21 ₁	115,75	18,54 (14/16)	101,48 (2:1)
		SWEDEN Jacobson & P (11/58)	1845.61	1362_63	1867,24	1874,21	486,98 (11/2)	1295,52 (9.7)
	Change on Day	SWITZERLAND SwissBankCpn (51/12/55)	485,0 i	488,70	487,1	480,6	493,8 (11/9)	586,7 (3/ħ)
	- % + % +1%	WORLD Capital Intl. (1/1/76)	<u> </u>	225,5	224.2	225,1	225,5 (11/10)	184.5 (4:1)



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Continued from Page 35

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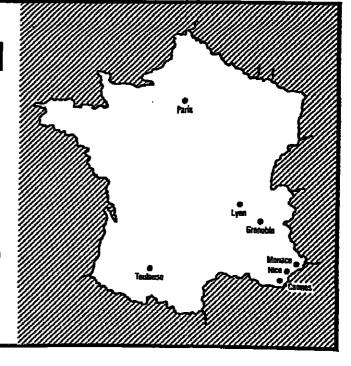
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THE NETHERLANDS

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Gains held despite holiday lull

THE CLOSURE of federal government offices and the New York banks for the Columbus Day holiday yesterday took the heat out of trading on Wall Street. Although the major U.S. stock exchanges opened for business, Federal bonds were not traded and equity trading was cut by lower attendance at brokerage houses and investment institutions.

However, the flow of corporate results continued and stock prices held on to the widespread gains achieved on Friday. The technology sector again pro-vided leadership as IBM's third quarter trading statement was digested. Bank stocks were strong, behind a 61 per cent gain in earnings at Chase Manhattan. At the close the Dow Jones industrial

average was 14.79 up at 1,354.73. The Dow transportation average rose sharply, as selected rail stocks and airline issues turned higher. Burlington Northern, reporting sharply higher earnings, gained \$2 to \$64. Union Pacific, also due to report earnings, jumped \$1% to \$48% and CSX added \$% to \$25% in hefty turnover.

Pan American strengthened by \$% to \$8% in heavy turnover after receiving federal approval for the sale of its Pacific operations to United Airlines. American Airlines was \$% up at \$39%.

180

NEW YORK

LONDON

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FT-SE 100

FT-A 500

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gik

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Metals & Mins

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AUSTRALIA

All Ord.

AUSTRIA

BELGIUM

DJ Industrials

S&P Composite 547.19°

Analysts' views on the outlook for the

KEY MARKET MONITORS

Standard & Poors 500

1982

Oct 14 Previous

1,347.22 1,339.84 1,190.70

184.28

1,322.3

642.75

704.91

291.4

13.017.29 12.949.92 10.684.50

1,039.90 1,037.64 828.70

1,033.4

99.51

STOCK MARKET INDICES

658.12*

1,321.2

643.71

705.34

294.6

1.036.5

100.16

1983

Year ago

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540.03

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554.6

749.1

10.37

647.47 517.40

1985

215.4

2.181

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3.0

U.S. DOLLAR

Oct 14 Previous Oct 14 Previous

1,793.5 2,536.25

215.6

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53.9

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INTEREST RATES

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stock market are now divided. Some warn that the Dow industrial average, boosted recently by takeover features, may be deceptively close to its July peak of 1,359. Others, however, see a rebounding economy, and point to the market's apparently buoyant reception for third quarter results from major companies.

NCR rose strongly, despite a dip in third-quarter earnings, repeating the pattern set on Friday by IBM. At \$33%, NCR gained \$1%, while IBM at \$126% was a further \$½ higher.

Among other technology stocks Honeywell edged up by \$\% to \$60\%, Burroughs by \$\% to \$53\% and Digital Equipment by \$% to \$107.

Control Data edged up by \$\% to \$18\% on the sale of two more units of its commercial credit subsidiary.

The long-awaited upturn in U.S. semi-

conductor shipments brought a general improvement in the chip manufacturers. Despite the poor trading news disclosed

Canadian stock exchanges were closed for a national holiday.

last week, Motorola added \$% to \$31% and National Semiconductor firmed \$1/2 to \$32½.

Paper industry stocks held firm after major companies confirmed that earnings are still weak. Boise Cascade at \$42% added \$% and Great Northern Nekoosa at \$361/2 was unchanged, after both announced lower profits for the third quarter.

Chase Manhattan gained \$% to \$54% on the profit news. Other bank issues continued to move higher in response to the flow of results from the big names. Bankers Trust, expected to announce results shortly, added \$\% to \$63\%. BankAmerica at \$14\% added \$\%.

The strong gain in September retail sales firmed stores. Sears added \$1/2 to

Adwever, motor stocks again responded with caution to the buoyancy in sales. General Motors shed \$% to \$69% and Ford \$\% to \$46\%.

Takeover stocks returned to centrestage. Beatrice Foods, after a quiet start, topped the NYSE active stocks list jumping \$1% to \$42%. International Multifoods, up \$3 at \$40%, took over the running from Pillsbury, \$% firmer at \$1%, and quaker Oats, down \$\% at \$57\%.

In Pharmaceuticals, Baxter Travenol edged up \$\% to \$13\% on higher profits. The rest of the sector was also firm, with the exception of Pfizer which slipped \$1 to \$44% after rising sharply on Friday.

Chemical stocks stood out well. Mon-

santo, at \$42%, recouped \$% of the fall which reflected fears of problems in Europe with some drugs produced by G. D. Searle, the recent Monsanto aquisition. On the American Stock Exchange, Resorts International returned to trading with a \$2% to gain at \$44% in the B shares after disclosing it was seeking to

finance a major asset sale. Stock in SCM eased by \$S to \$72% in light trading as Wall Street awaited this week's court hearings on the directors' defence moves against the bid from

Hanson Trust of the UK. The credit sector, lacking a lead from the federal bond trading desks, lay dor-mant. The delay in the Senate's decision on the new federal debt ceiling will mean further uncertainty in the bond markets when they return to work after the Columbus Day break.

LONDON

Profit-taking fails to halt record climb

A NEW peak was scaled in London yesterday - but only just as profit-taking trimmed earlier enthusiastic gains.

The FT Ordinary index, which shot up to 1,036.0 during the day, slipped back to close 1.3 up on Friday at a new record of

The early enthusiasm for blue chip industrials, fuElled by Wall Street's improvement on Friday, began to wane as news spread of disappointing provisional retail sales figures for September. Among actives, Amersham Interna-

tional and British Aerospace both firmed 10p to 310p and 460p respectively, Cable and Wireless was also up 10p to 615p, Commercial Union added 7p to 238p and French Kier was up 9%p to 220p ex-dividend.

Government securities were inclined harder although stocks within the area of the new tap, Treasury 10 per cent 2001 announced on Friday, eased % to %.

Chief price changes, Page 33; Details, Page 32; Share information service, Pages 30-31.

AUSTRALIA

SELECTED industrials, particularly BHP, led Sydney to another record yesterday despite a lack of interest from overseas buyers.

The All Ordinaries index closed the day 3.2 up at 1,036.5, 1.2 higher than the record set on Thursday last week. Trading was sharply down on last

week, with a turnover of 47.9m shares, and gains outnumbered falls 228 to 208. BHP added 8 cents to A\$8.84 while other market leaders included CRA, which firmed 4 cents to A\$5.84, Bell Group which was steady at A\$11.6 and Western Mining which was down 10 cents to A\$3.8.

Philip Morris, subject of a takeover bid at A\$11 a share by its U.S. parent company, gained 60 cents to A511.90. Good support was noted for media

stocks, with Herald and Weekly Times and News Corp both 10 cents firmer at A\$5.56 and A\$8.00 respectively.

Elsewhere, ANZ shed 4 cents to A\$5.12, Elders IXL was down 3 cents to A\$3.90, Bridge Oil lost 10 cents to A\$2.30 and James Hardie fell 5 cents to A\$3.40. Among gainers were Lend Lease, 2 cents up at A\$6.50, Westpac Bank, which added 2 cents to A\$5.26. Howard Smith. up 4 cents to A\$6.24 and Coles, which firmed 5 cents to A\$4.40.

HONG KONG

LATE buying of selected shares helped lift Hong Kong in quiet trading although there was a continued lack of interest from overseas investors. The Hang Seng index closed 10.80 higher at 1,594.35. Among actives Swire rose 40 cents to

HK\$25 on speculation that the company might float its aviation arm, Cathay Pacific Airways. Elsewhere, gains of 10 cents were reg

istered by Cheung Kong, at HK\$18.80, Hongkong and Shanghai Bank, at HK\$7.10, and Jardine Matheson, at

Hutchison Whampoa shed 20 cents to HK\$25.70, Hongkong and Kowloon Wharf was down 5 cents to HK\$6.85 and Henderson Land, at HK\$2.22, and Hongkong Telephone, at HK\$8.65, were both

SINGAPORE

BUYING interest waned and profittaking set in Singapore where the Straits Times industrial index fell 7.52 to close at 749.63.

Moderate falls were experienced by most sectors. Hong Leong Finance was down 2 cents to S\$2.55, Keppel Shipyard lost 3 cents to S\$1.14, Malay Banking shed 10 cents to S\$5.65, as did OCBC which closed at \$\$8.05.

Against the trend, Genting added 5 cents to S\$5.85 while DBS, at S\$5.85, and Singapore Press at S\$6.00, were steady. EUROPE

Brussels cheers poll from peak

A ROUSING endorsement was given in Brussels yesterday to the victory of the Belgian centre-right coalition Government, sending share prices to record levels during hectic trading.

The buying encompassed a broad range of domestic and international issues and trading was sufficiently active for bourse authorities to extend the session by 30 minutes.

The Belgian SE index closed at a high for the year of 2,642.65, up 132.38 and representing a 5.3 per cent improve-

Demonstrating the size of the advance and the volume backing the movements, Societé Générale Belgique, which lagged behind the market in early business, closed up BFr 115 at BFr 2,020 on a turnover of 57,000 shares compared with a daily average of several thousand.

Among banking stocks, Societe Génerale de Banque closed BFr 375 higher at BFr 4,130, followed by Kredietbank, up BFr 400 to BFr 9,500, and Banque In-ternationale, up BFr 100 to BFr 7,700.

Daimler Benz's offer for AEG enlivened trading in Frankfurt and pushed the Commerzbank index to a record with a gain of 39.5 to 1,626.10. Late selling, primarily from foreign sources, trimmed back the advances but most leading issues ended higher.

In part the late easing was due to disappointment with the terms of the offer. Daimler closed up DM 38 at DM 1,073, compared with its high for the day of DM 1,080. AEG was suspended.

The activity in the stock flowed through to other motor issues. By the close, VW was up DM 5.50 to DM 329 and Porsche DM 4.50 at DM 1,294.50, but BMW edged against the trend easing DM 2 to DM 488.

Chemical stocks were again in demand with BASF up DM 6 to DM 252.50, Hoechst DM 5 higher at DM 236.70, and Bayer DM 2.30 ahead to DM 235.80.

Bond prices were virtually unchanged in quiet business. The closure of banks and financial institutions in New York was cited as a reason for the slow-down after last week's steep slide. The Bun-desbank bought DM 8.1m worth of do-mestic paper, compared with DM 125.7m on Friday.

Modest gains were posted in Amsterdam, continuing the recovery which began last week.

Among internationals, Unilever

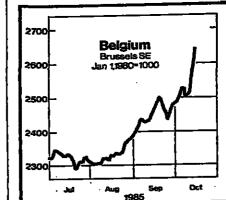
firmed Fl 2.70 to Fl 325.50 and Royal Dutch 20 cents to FI 188.30.

Although a broad section of leading issues closed higher in Paris, turnover remained relatively low. A slowdown in the domestic inflation rate during September was seen as the prime reason for

In the food and drink sector, Pernod led the field with a FFr 17 rise to FFr 668 with Moet Hennessy up FFr 7 to FFr 1,851 and Perrier FFr 3.5 higher at FFr

A generally easier tone developed in Zurich, with price movements restricted between narrow bands and turnover slightly down as investors remained on

Banks were little changed while among financials and holding compa-nies, Adia firmed SwFr 50 to SwFr 4,490,



Galencia SwFr 15 to SwFr 700 and Jacobs Suchard SwFr 100 to SwFr 7,600.

In pre-bourse business Sprecher und Schuh jumped SwFr 230 to SwFr 1,530 when trading resumed after last Thursday's suspension on news that Alsthom of France would acquire a major part of the company's business.

Milan was active with prices ending mixed. Growing strains with the country's coalition Government, generated by aftermath of the hijack of the Italian passenger liner, unsettled business, although dealers were surprised by the relative resilience displayed.

Stockholm was easier and trading was thin in Madrid.

SOUTH AFRICA

THE FIRM bullion price and weak rand gave a slight fillip to golds which closed higher in Johannesburg. Randfontein closed R5 up at R225 and

Elsburg added 20 cents to R4.90. Mining financials and other mines followed the trend with Anglo American 85 cents higher to R33.25, Rustenburg Platinum 50 cents up at R23 and diamond share De Beers 35 cents firmer at R12.80. Elsewhere AE&CI was 10 cents up at

R7.90, Barlow Rand added 5 cents to R11.05, Nedbank firmed 2 cents to R11.70 and SA Breweries was 5 cents higher at R7.60.

TOKYO

Selective support returns

DESPITE A LACK of fresh incentives, large-capital, domestic demand-related and biotechnology issues attracted small-lot buying yesterday, pushing share prices higher for the seventh consecutive trading day, writes Shigeo Nishiwaki of Jiji Press.

However, blue chips - especially electrical and precision instrument stocks, which were popular last week - came under selling pressure.

The Nikkei-Dow average gained 67.37 from the previous day's close to reach 13,017.29, passing the 13,000 mark for the first time in about three months. Volume totalled 354.4m shares compared with Friday's 383.1m. Advances outnumbered declines by 448 to 351, with 143 issues unchanged.

The sharp rise demonstrated that buying interest among individuals and institutional investors with surplus funds was stronger than expected, according to a representative of a large securities

Large-capital stocks traded strongly. Nippon Steel was the most active and 30.7m shares changed hands as it added Y2 to Y191. Mitsubishi Heavy Industries was the next most active with a turnover of 20.4m shares. It firmed Y10 to Y460. Kobe Steel gained Y4 to Y221 and Tokyo Electric Power Y30 to Y2,640.

Asset-heavy stocks such as property and warehouse groups were at the fore of issues to benefit from expansion in domestic demand.

Nippon Express, with 16.9m shares traded, jumped Y19 to Y699. Mitsui Real Estate Development added Y80 to Y1,140, while Mitsubishi Estate rose Y30 to Y1,130.

Biotechnology-related stocks aroused speculative interest. Meiji Seika Kaisha advanced Y20 to Y577, Kureha Chemical Industry Y46 to Y941, Yamanouchi Pharmaceutical Y60 to Y3,230 and Green Cross Y50 to Y2,330. Mochida Pharmaceutical scored a daily allowable gain of Y1,000 to Y10,690.

Blue chips were depressed by profittaking, with Toshiba losing Y7 to Y393, Hitachi Y7 to Y690, Canon Y30 to Y1,110, Sony Y110 to Y3,570 and Fujitsu Y10 to

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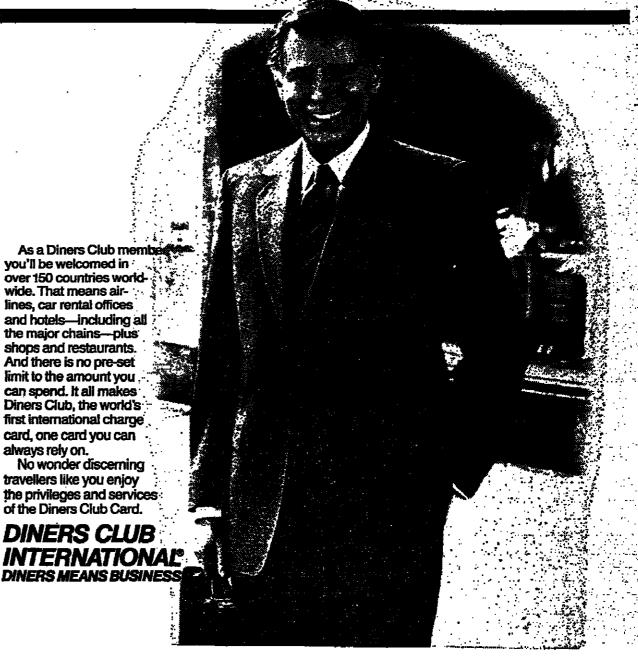
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Bond trading was inactive as institu-tional investors and brokerage houses retreated to the sidelines, awaiting the preliminary figure to third-quarter U.S. gross national product (GNP) on Thurs-



I require worldwide acceptance from my Card. And I get it.



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11% 4% 4% 10% FFr fered rate) 3-month U.S.S 6-month U.S.\$ 8% 7%, U.S. Fed Funds 7.9 7.175 U.S.3-month T-bi U.S BONDS Price Yield Price 100%2 10% 1992 closed closed 1001% 10.23 10% 1995 10027/-- 10.36 closed closed 10% closed closed AT & T Yield 100% 100% 10.35 10% June 1990 10.35 8¼ May 2000 10% Mar 1993 Diamond Shamrock 10% May 1993 Federated Dept Stores 10% May 2013 Abbot Lab 11.80 Feb 2013 Alcoa 12¼ Dec 2012 Source: Salomon Bros **FINANCIAL FUTURES** Latest High CHICAGO U.S. Treasury Bonds (CBT) 8% 32nds of 100% \$1m points of 100% LONDON

75-10 75-11 75-04 75-04 92.78 92.79 92.76 92.76 91.96 91.97 91.96 91.96 \$1m points of 100% 91.69 91.66 91.64 91.69

20-y £50,000 32nds of 100% 113-16 113-18 113-10 113-12 COMMODITIES 440.50p 440.40p Silver (spot fixing)

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€977.00 €976.50 Copper (cash) £1,624.00 £1,624.00 Coffee (Nov) Oil (spot Arabian Light)

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